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PORT OF SAN FRANCISCO

NOTICE OF CANCELLED MEETING

The following Regular Port Commission Meeting has been CANCELLED:

APRIL 8, 2003 @ 4 P.M.

The Next Regular Port Commission Meeting is scheduled on:

APRIL 22, 2003 @ 4 P.M.

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San Francisco Port Commission
Pier 1, San Francisco, CA 94111
(415) 274-0406

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

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A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Nita Mizushima, Chief Harbor Engineer, at 274-0559. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

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SAN FRANCISCO PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, APRIL 22, 2003
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - March 25, 2003 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **CONSENT**

   A. Request for authorization to offer through competitive bid a two-year lease for surface parking at SWL 322-I, located at Front Street between Broadway & Vallejo Streets. (Resolution No. 03-29)

   B. Request for approval of lease for surface parking between the Port and Imperial Parking (U.S.), Inc., a Delaware corporation, at Seawall Lot 330, located at the Embarcadero, between Bryant and Beale Streets. (Resolution No. 03-30)

   C. Request for approval of a resolution to support funding for ferry service from future bridge toll revenues and Water Transit Authority's (WTA) plan for creating new ferry service. (Resolution No. 03-31)

5. **ENGINEERING & MAINTENANCE**

   A. Informational report on status of Wharf J-10 condition and proposed demolition.

6. **PLANNING & DEVELOPMENT**

   A. Informational Presentation regarding the concept design for the Brannan Street Wharf Open Space located along the Embarcadero between Pier 30-32 and Pier 38.

B. Informational Presentation by The Mills Corporation on the status of the Piers 27-31 Project and Site Plan.

C. Request for approval of Amendments to the Lease Disposition and Development Agreement, Lease, Hornblower Term Sheet, and other documents with San Francisco Waterfront Partners, LLC for the Historic Rehabilitation Project at Piers 1-1/2, 3 & 5 located between Washington Street and Broadway. (Resolution No. 03-32)

7. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion and Action Items)

a. Discuss existing litigation matter pursuant to Sections (a) and (d) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case). (Discussion Item & Action Item).

- Renaissance Parents for Success v City & County of San Francisco. San Francisco Superior Court, Case No. CGC02-415559

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case as defendant).

- Miller/Thompson or Crowley Marine Services
  As Defendant: On March 18, 2003, the Port received correspondence from legal counsel for Miller/Thompson Constructors, a subtenant at Pier 54, alleging obstruction of access to the premises, and conduct on the part of the Port, amounting to a constructive eviction. The subtenant has announced its intention to vacate the premises unless the Port grants a substantial rent reduction. The subtenant's allegations present significant exposure of potential litigation.

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(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Planning & Development Director
*The Mills Corporation: Steven J. Jacobsen

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

b. Property: Pier 92
Person Negotiating: Port: Peter Dailey, Director of Maritime
*RMC: Joe Sostaric

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 92.

c. Property: Piers 19/23
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Big C Traders: Raymond Lynch

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 19/23.

d. Property: Pier 3
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Hornblower Yachts: Terry MacRae

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 3.

e. Property: Pier 29-½
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Fascination Consumer Enterprises: Sam Conti

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 29-½ .

f. Property: Seawall Lot 354
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Muni: Kerstin Magary

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Seawall Lot 354.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

10. ADJOURNMENT

APRIL/MAY 2003
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
April 22	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
May 13	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
May 27	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 1st Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

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PORT OF SAN FRANCISCO

MEMORANDUM

April 16, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to offer through competitive bid a two-year lease for surface parking at Seawall Lot 322-I, located at Front Street between Broadway and Vallejo Streets.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

Port staff is requesting authorization to offer through competitive bidding one parcel commonly known as Seawall Lot 322-I located in the Northeast Waterfront, for operation of surface public parking lot. The process will culminate in one lease, with a term of two (2) years. The successful bidder will be the one that proposes the highest rent for the parcel and who meets the minimum qualifications for experience and financial standing.

The rent for the parcel shall be bid on a minimum base rent versus percentage rent basis, pursuant to minimum acceptable bids set forth below. The monthly minimum rent for the lease will be subject to annual CPI adjustments. Additionally, since the parcel is designated as future development site, the Port shall retain the right to recapture all or part of the parcel upon sixty-(60) days written notice to the operator.

The two-year lease shall be in substantial conformance with the Port Commission standard ground lease form.

THIS PRINT COVERS CALENDAR ITEM NO. **4A**

The proposed minimum lease terms and conditions are discussed below:

PROPOSED MINIMUM LEASE TERMS AND CONDITIONS

Seawall Lot 322-I

1. Premises: Approximately 37,812 square feet of Seawall Lot 322-I.

2. Term: Two (2) years

3. Minimum Acceptable Bid:
   Percentage Rent: no less than 66% of gross receipts per month, to the extent greater than Minimum Rent.
   Minimum Rent: no less than $25,000.00 per month.

4. Improvements: None required. The tenant will accept the parking lot in its "AS IS" condition and will be responsible for all necessary maintenance and compliance with laws.

5. Termination Rights: The Port will have the right to terminate the Lease for any reason upon no less than 60 days written notice.

6. Prevailing Wages: The Lease will require the parking operator to pay its employees wages in an amount at least equal to the highest general prevailing rate of wages as paid for similar work in the City and County of San Francisco in private employment, as determined by the Board of Supervisors pursuant to Section 6.37 of the City's Administrative Code.

Economically Disadvantaged Business Participation

The Port Commission is interested in encouraging the participation of minority-owned and economically disadvantaged businesses in this bid opportunity. Staff will consult with Human Rights Commission and the City Attorney's Office to determine appropriate methods for encouraging participation in the bid process by small, local, women, economically disadvantaged and minority owned businesses.

Commission Approval of Lease

Port staff will present the successful bidder to the Port Commission for approval and authorization to enter into a lease for the parking opportunity.

RECOMMENDATIONS

Staff recommends that the Commission approve the attached resolution authorizing staff to prepare and offer, through competitive bid, one lease, with a two (2) year term, for a public parking lot at Seawall Lot 322-I.

Prepared by: Phil Williamson, Senior Property Manager, Real Estate

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-29

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, surface parking generates a significant revenue stream to the Port, and the Port desires to operate its parking lots in an efficient manner while maximizing revenues; and

WHEREAS, there is need for the continued operation of SWL 322-I on an interim basis for public parking by both Port tenants and the public, and it would be impractical and impossible to bid the parking operation for such sort-term interim use; and

WHEREAS, Seawall Lot 322-I is located where the future demand for parking will increase;

RESOLVED, that the San Francisco Port Commission authorizes Port staff to offer through competitive bidding one lease, with a two (2) years term, for surface parking lot operations available to the public, and continue S. F. Parking, Inc. as an interim parking operator at an adjusted rental amount until the completion of the bid process at Seawall Lot 322-I in accordance with the terms outlined in the Agenda Summary for this Item 4A a copy of which is on file with the Port Commission Secretary.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 22, 2003.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

April 16, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of lease for surface parking between the Port and Imperial Parking (U.S.), Inc., a Delaware corporation, at Seawall Lots 330, located at the Embarcadero, between Bryant and Beale Streets

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

On December 11, 2002 the Port Commission approved Resolution No. 02-66, authorizing a staff to offer through competitive bidding a parcel located in the Central Waterfront for operation of surface public parking lot. The process was to culminate in a lease with a term of two (2) years. The successful bidder would be the one who proposed the highest rent for the parcel and who met the minimum qualifications for experience and financial standing.

Port staff subsequently issued an invitation for bids. A major goal of the Port Commission was to encourage the participation of minority-owned and economically disadvantaged businesses. Staff consulted with the Human Rights Commission and the City Attorney's Office to determine appropriate methods for encouraging participation in the bid process by small, local, women, economically disadvantaged and minority - owned businesses. The Port advertised extensively in a wide variety of publications intended to reach MBE/WBEs. This program was highly successful as the Port received requests for forty-one (41) bid packages and eventually received bids from six (6) parking lot operators, 33% of which were MBE/WBEs.

THIS PRINT COVERS CALENDAR ITEM NO. 4B

On February 12, 2003, a pre-bid conference was held, which included a site tour of the parking facilities. The due date for submittal of bids was on March 12, 2003, at which time the bids were opened and ranked in order of highest bid. Copies of the bid results were presented to the Port Commission for review. The high responsive bidder for the parcel was Imperial Parking (U.S.), Inc., a Delaware corporation.

Port Staff is now prepared to request Port Commission approval of Lease No. L-13441 for Seawall Lot 330, located at the Embarcadero, between Bryant and Beale Streets. The proposed lease terms and conditions are discussed below:

LEASE TERMS AND CONDITIONS

Seawall Lot 330

(1) Tenant: Imperial Parking (U.S.), Inc., a Delaware corporation.

(2) Premises: Approximately 124,065 square feet of Seawall 330; with option by Port to expand if space south of the Ferry Building becomes available for surface parking operations. Tenant shall pay to the Port percentage rent equal to 66% of gross receipts, after parking tax, at Seawall Lot 330 and at any expansion sites.

(3) Term: Two (2) years

(4) Monthly Base Rent: $48,280.00 per month with annual CPI adjustment.

(5) Condominium Development Site. A portion of Seawall Lot 330 adjacent to the Premises has been designed as a Condominium Development Site. Tenant acknowledges that the planning and pre-construction phases of such a project, and the activities associated with the project may require the Port and/or developer to enter the site to conduct pre-development inspections and surveys. Said activities may include, but are not limited to, geotechnical studies, utility surveys, soils testing, seismic evaluation and miscellaneous site data collection. Port shall give Tenant verbal notice of Port's intent to enter Premises for conducting of said surveys or studies. The Port agrees that any reduction in the size of the leasehold at Seawall Lot 330 to accommodate construction of the condominium space, provide lay-down space related to construction of the condominium space or for landscaping required by the condominium project will be offset by a pro-rata reduction in rent. Pro-rata rent shall be calculated by converting the base rent at the time to a rate per square foot and multiplying the rate per square foot by the number of square feet remaining in the leasehold after accommodating these events.

The Lease includes the following additional provisions.

In addition to Worker's Compensation, Comprehensive General Liability and Comprehensive Automobile Insurance, the Tenant must also carry Garage Liability and Garage Keeper's Insurance with a limit of not less than one million dollars ($1,000,000).

Tenant is required to pay highest general prevailing wages in accordance with prevailing wage rates adopted by the San Francisco Board of Supervisors pursuant to Section 6.37 of the San Francisco Administrative Code.

Additionally, since this parcel is designated as a future development site, the Port shall retain the right to recapture the premises upon sixty (60) days written notice to the operator.

Total Annual Base Rent from the lease will be $579,360.00

Board of Supervisors Approval of Lease

Under Charter Sections 2.110 and 9.118, leases having anticipated revenue to the City of one million dollars or more are subject to approval by the Board of Supervisors. This lease will require approval by the Board of Supervisors because the lease will generate over one million dollars during its term.

RECOMMENDATIONS

Staff recommends that the Port Commission approve the attached resolution authorizing the Executive Director of the Port to enter into this lease, for a two (2)-year term, with Imperial Parking (U.S.), Inc., a Delaware corporation for the operation of a public parking lot at Seawall Lot 330, located at the Embarcadero, between Bryant and Beale Streets.

Prepared by: Elliott Riley, Senior Property Manager

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-30

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and

WHEREAS, surface parking generates a significant revenue stream to the Port and the Port desires to operate its parking lots in an efficient manner while maximizing revenues; and

WHEREAS, Seawall Lot 330 is located in an area where demand for parking by both Port tenants and the public is strong; and

WHEREAS, the San Francisco Port Commission authorized Port staff to offer, through competitive bidding, this lease, with a two-year term, for surface parking lot operations available to the public, located on Seawall Lot 330; and

WHEREAS, Imperial Parking Inc. is the highest responsive bidder; now, therefore, be it

RESOLVED, that the San Francisco Port Commission hereby approves Lease No. L-13441 with Imperial Parking (U.S.), Inc., a Delaware corporation at Seawall Lot 330, located at the Embarcadero, between Bryant and Beale Streets, on terms and conditions outlined in the memorandum to the Port Commission for Agenda Item 4B of the Port Commission Meeting on April 22, 2003, and the Port Commission authorizes the Executive Director of the Port, or his designee, to execute the same on behalf of the Port in such form as is approved by the City Attorney.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 22, 2003.

_____
Secretary

ITEM 4C

Request for approval of a resolution to support funding for ferry service from future bridge toll revenues and Water Transit Authority's (WTA) plan for creating new ferry service. (Resolution No. 03-31)

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-31

RESOLUTION IN SUPPORT OF STATE SENATE BILL 915 AND 916 TO EXPAND REGIONAL FERRY SERVICE AND PROVIDING NEW CAPITAL FUNDING FOR THE DOWNTOWN FERRY FACILITES; AND SUPPORTING FUNDING OF SAN FRANCISCO COUNTY SALES TAX EXTENSION REVENUES FOR THE DOWNTOWN FERRY FACILITIES

WHEREAS, The Port of San Francisco is the hub for the region's ferry service, bringing in employees and visitors to the City; and

WHEREAS, The Ferry Building and Ferry Plaza area is a vital mixed-use area for residents and visitors that must simultaneously provide for the expansion of downtown ferry service and convenient passenger transfers between transportation modes; and, at the same time, succeed as an active destination in its own right; and

WHEREAS, The historic Ferry Building has recently undergone an $80 million rehabilitation including public marketplace on the ground floor and the weekly Farmer's Market on the Ferry Plaza behind the Ferry Building, collectively expected to draw thousands of residents and visitors to the Ferry Building waterfront; and

WHEREAS, Over $17 million in federal, state and local funds have allowed for the design and construction of the Downtown Ferry Terminal Phase 1 improvements, including two new, fully accessible gates, covered gangways and floats that provide for standardized docking facilities to four ferry vessels concurrently; and

WHEREAS, The layout and architectural design of the new terminal facilities compliment the historic Ferry Building; and

WHEREAS, Ferry service is an important component of San Francisco's regional transportation network, providing cost-effective and environmentally responsible transit option between San Francisco and other locations within the Bay Area; and

WHEREAS, Ferry service is an important transportation connection to Port properties, Embarcadero's Muni E and F-Lines, Fisherman's Wharf, Pacific Bell Park, and public access along the waterfront; and

WHEREAS, Waterfront businesses and new residences would be served by increased regional ferry service; and

WHEREAS, Based on its ridership studies, the San Francisco Bay Area Water Transit Authority (WTA) has recommended seven to eight new ferry routes around the Bay and an expansion of all existing ferry routes connecting to San Francisco; and

WHEREAS, The WTA has recommended a fleet of vessels that would be 10 times cleaner than today's fleet, having 85% lower emissions than the EPA's 2007 guidelines for diesel engines; and

WHEREAS, The proposed bill Toll Expenditure Plan in proposed State legislation, Senate Bill 916 recommends allocation of an increased dollar on state bridges for funding improvements to the Port of San Francisco's Downtown Ferry Facilities. Said plan will be submitted to the voters for approval in 2004 after passage by the Legislature; and

WHEREAS, In 2003, the City and County of San Francisco will recommend a Transportation Expenditure Plan for the County's sales tax extension; now, therefore, be it

RESOLVED, That the Port of San Francisco supports Senate Bill 916 with the inclusion of capital funds for San Francisco ferry related facilities in the proposed State Bridge Toll Expenditure Plan; and be it

RESOLVED, That the Port of San Francisco supports Senate Bill 915, proposed legislation approving the San Francisco Bay Area Water Transit Authority's Implementation and Operations Plan to enhance ferry service; and be it further; and be it

RESOLVED, That the Port of San Francisco supports working cooperatively with WTA toward expanded water-transit service in a manner that complements the Ferry Building and Ferry Plaza, the future restoration of the Agriculture Building and the ongoing operations of the World Trade Club, including but not limited to the consideration of other land-side issues including pedestrian circulation, and transit interface requirements, and be it further

RESOLVED, That the Port of San Francisco supports the inclusion of capital funds for San Francisco ferry related facilities in the proposed Transportation Expenditure Plan for the San Francisco County Sales Tax Extension to leverage regional toll dollars or other grant funds.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of April 22, 2003.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

April 17, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas Wong
Executive Director

ACTION: Informational Presentation Regarding the Demolition of Wharf J-10 at Fisherman's Wharf

Background
The State Board of Harbor Commissioners constructed the Wharf J-10 facility in 1919 to accommodate fish packing, storerooms, accessory offices and waterside docking facilities. In 1974, a public planning process that included the Port, BCDC and the Mayor's Citizen's Committee for the Preservation and Beautification of the Fisherman's Wharf Area, led to policies to promote the fishing industry, and address the deteriorated condition of the facilities in Fish Alley. As recommended, the Port entered into long term 61-year leases with four different fish processing companies for the Wharf J-10 facility in 1975 with the understanding that, with long term leases, the fishing companies could get the financing to improve the facility and repair and maintain the substructure. In the mid-1990's, two of the tenants – Consolidated Fisheries and Standard Fisheries – went out of business and surrendered their leases. The building and wharf remained in fishing industry use by two of the tenants, F. Alioto Fish Company and California Shellfish Company until August 2000.

Summary
In August 2000, Wharf J-10, located on the north side of Fish Alley between Leavenworth and Hyde Streets, was vacated. Facility condition surveys conducted by the Port and independent structural engineers found extensive deterioration in the piles and substructure which rendered the building unsafe for occupancy. The F. Alioto Fish Company and California Shellfish Company currently hold leases for portions of Wharf J-10, with 33 years of the original 61-year term remaining. Under their leases, the tenants are responsible for maintaining and repairing the building and substructure within their respective leaseholds, and returning the premises to the Port at the end of the term in usable condition. If the fishing companies do not carry out necessary repairs or maintenance of the facility, the Port may carry out such work for the tenants and be reimbursed.

This Print Covers Calendar Item No. **5A**

Following condemnation of the facility, the Port instituted temporary shoring of the building in an effort to stabilize the superstructure to reduce its potential for failure, and to buy time for the Port and tenants to determine a course of action. The Port conducted engineering studies to analyze a number of repair and reuse options, including demolition. The Port has been in ongoing discussions with both of the affected tenants to share this information, and to determine the tenants' future plans for rebuilding or reuse of the facility. The Port hired consultants to prepare an initial study and Environmental Impact Report (EIR) to analyze the environmental impacts of the potential loss of the building because it is an historic resource. The Port delayed the EIR process to provide an opportunity for the tenants to define rebuilding/reuse plans that could be analyzed in the EIR.

Throughout this period, the Port's engineering staff has been monitoring the condition of the J-10 facility and temporary shoring. In November 2002 and January 2003, the Port found further evidence of substructure and superstructure deterioration, and the engineers concluded that it is in imminent danger of collapsing. On March 12, 2003, the Chief Harbor Engineer issued a written recommendation to the Port Executive Director to demolish the building and substructure to eliminate the life threatening condition. Accordingly, the Port notified the tenants of the necessity of demolishing the facility, and sought their cooperation. Based on the March 12th recommendation report, on April 14, 2003, the Port Executive Director issued emergency orders pursuant to the Port's regulatory authority establishing a time frame for undertaking the demolition to address the serious and imminent hazard created by the deterioration of the substructure.

The public health and safety hazard posed by the imminent collapse of the building and substructure are not limited to that property. An uncontrolled collapse of the facility would endanger mariners, swimmers or other recreational water users that may be in the vicinity at that time. In addition, given their integrated substructure construction, the collapse of Wharf J-10 could pull down and damage adjacent Wharf J-9, and Wharf J-11. A collapse could also cause the facility to catch on fire and pose a major public safety threat to surrounding Fish Alley businesses, especially given the presence of fuel tanks across the street. Finally, there is an additional public health and safety concern about vagrants who have been sighted gaining entry into the J-10 facility despite increased efforts to fence off and secure the building.

The Port anticipates initiating measures immediately pursuant to the emergency orders, and after securing required regulatory approvals, commencing the demolition project. The serious and imminent threat of structural failure and collapse of the building does not permit the completion of the EIR process. Accordingly, the Port requested the San Francisco Planning Department to concur in its conclusion that the project is exempt from the California Environmental Quality Act because the proposed demolition is a specific action necessary to prevent or mitigate an emergency. The Planning Department issued a Statutory Exemption on April 15, 2003. The Port's actions, as described, are for the purposes of removing the immediate threat to life and public safety, and do not preclude any future plans that F. Alioto Fish Co. and California Shellfish may propose to reestablish fish processing facilities for the remaining term of their respective leases. Any such rebuild or reuse proposals will be subject to applicable environmental review and regulatory approval requirements.

Condition of Facility

In August 2000, the Port issued a Notice to Vacate ("red-tagged") the facility and ordered the tenants to vacate it, which they did. These actions were based on a facility inspection that showed severe settlement and cracking at the northwest corner of the building and extensive deterioration throughout the substructure. The specific conditions were documented in a letter of August 17, 2000 by the Port's engineering consultant, Structus Engineering, and further detailed in a Port Conditions Survey Report that Structus completed on October 17, 2000. The notice to vacate resulted in the removal of persons and property from the superstructure. Port engineering staff considered the removal of those loads from the structure as a sufficient safety measure while the Port engineers and the facility leaseholders considered the options for addressing the conditions.

In December 2000, the Port implemented emergency measures to temporarily shore and vertically support the northwest corner of the building. These actions were designed by the Port's engineering staff as interim measures relating only to the building, to address local settlement and cracking of the west wall. Due to the overall deteriorated condition of the substructure, Port engineers determined that it was not feasible or practical to install a substructural shoring system. The temporary shoring was intended to stabilize the building and provide time for the Port and tenants to decide on a course of action for the facility.

Recent surveys of the structure indicate that steps should be taken immediately to proceed with demolition of the structure. On January 30, 2003, Port engineers, Tom Bower and Ed Byrne, submitted a report to the Chief Harbor Engineer, Nieret Mizushima, on their findings following two recent inspections of the Wharf J-10 facility. These inspections were prompted by concern that severe winter storms may have further compromised the structural condition of the facility and the temporary bracing installed in December 2000. Messrs. Bower and Byrne found that further settlement and cracking of the superstructure had occurred despite the temporary shoring, indicating increased potential for collapse, which could endanger adjacent Wharf J-9, and J-11 facilities and surrounding businesses.

On March 12, 2003 the Chief Harbor Engineer of the Port of San Francisco issued a written recommendation to the Port Director concluding that a dangerous condition exists at Wharf J-10 given the continued deterioration of the substructure, and that there is a substantial risk of injury that can be eliminated only by demolition of the superstructure and the substructure (although some of the pilings may remain if they do not pose an imminent public safety hazard following removal of the superstructure and decking). As an immediate response, Port staff implemented measures to place barricades around the structure and surrounding Bay waters, and further secure the structure to prevent unauthorized access. On March 18, 2003, the Port notified the tenants of its intent to demolish the facility. Port staff conferred with leaseholders and interested parties and no party has offered substantial evidence to contradict the finding that the condition of the structure poses an imminent and substantial hazard to life, health or safety.

Upon review of that recommendation and the reports and evidence in support thereof, the Port Executive Director determined that the condition of the structure constitutes a serious and imminent hazard with a substantial risk to life, health and safety due to the exposure of the public and occupants of the adjacent properties, and concurs that the hazard can be eliminated only by demolition of the structure. On April 14, 2003, Port Executive Director Douglas Wong issued an emergency order, pursuant to its regulatory authority under San Francisco Building Code,

Section 102 – Unsafe Buildings, Structures or Property, Subsection 102.16 Serious and Imminent Hazards – Emergency Orders, requiring the termination of utility services and demolition of the structure.

Regulatory Approvals

The Port is working closely with the Regional Water Quality Control Board in monitoring conditions in this area, and will be coordinating that effort with the Wharf J-10 demolition. Soil and groundwater in the vicinity are contaminated with petroleum as a result of decades of storage and use of fuels. In addition to a long history of incidental petroleum releases to soil and groundwater, in 1990, there was an estimated 330-700 gallon fuel spill from a fuel tank facility then operated by Mobil located south of Wharf J-10, across Fish Alley. The contaminated soil at the tank site was removed in 1995, but petroleum contamination remains in the soil and groundwater beneath adjacent streets and buildings. Since 1990, ExxonMobil has continued to work under the regulatory oversight of the Department of Public Health and Regional Water Quality Control Board (RWQCB) to install monitoring wells in surrounding areas including Wharf J-10, to monitor and submit quarterly reports, and remove contaminated soil. Fuel-contaminated ground water has been documented at six to eight feet below ground surface. The Wharf J-10 demolition would involve work down to between two and three feet below ground surface and thus is not expected to extend into the area of fuel contamination.

During geotechnical investigations of the Wharf J-10 site, the Port discovered evidence that the fuel leak has migrated beyond the seawall into the Bay. The RWQCB considers diesel fuel to be a potential risk to marine organisms, and thus is requiring ExxonMobil to conduct additional investigation and remedial action planning. The additional site investigation and sampling analysis is being coordinated with the Wharf J-10 demolition schedule. To date, ExxonMobil has complied with all agency and Port requests.

The demolition of Wharf J-10 is subject to environmental review pursuant to the California Environmental Quality Act (CEQA). In 2001, the Port hired an environmental consultant to prepare an initial study. Staff anticipated that a focussed Environmental Impact Report (EIR) might be required because Wharf J-10 is a potentially significant historic resource. Wharf J-10 and other historic structures in the Fish Alley area were evaluated in an architectural and historic resource report prepared by Architectural Resources Group in 2002. The study concluded that Wharf J-10 is potentially eligible for the California Register of Historic Places as a contributor to a historic district in Fish Alley, and thus its demolition would be regarded as a significant environmental effect that triggers the need to prepare an EIR.

The preparation of an EIR requires analysis of alternatives to the proposed project. The Port thought that the rebuild or reuse plans by the tenants could be included in the alternatives analysis. Last summer, the Port met with the tenants to offer this opportunity to be included in the EIR analysis, which would facilitate tenant efforts to reestablish fish processing facilities. The Port has no plans to rebuild those portions of Wharf J-10 within its control, in light of the significant investments that it has made in fish processing facilities at Pier 45, and constructing the Hyde Street Fishing Harbor. The tenants had not identified plans, and the Port went ahead in and prepared the Initial Study. On January 9, 2003, based on the foregoing information concerning future uses of the site, the Port submitted the initial study for review to the San Francisco Planning Department.

In light of the further deterioration of the facility documented in the 2003 condition inspections, the Port recognized that there would not be sufficient time to complete the EIR. Consequently, the Port submitted a request to the San Francisco Planning Department for a statutory exemption from CEQA for specific actions necessary to prevent or mitigate an emergency, i.e. the proposed emergency demolition, pursuant to CEQA Guidelines Section 15269(c). The Planning Department issued the statutory exemption on April 15, 2003. During this period, the Port retained an historic architecture consultant to complete archival documentation and photographs of the Wharf J-10 facility, which typically is done to appropriately document historic resources before they are demolished.

The Wharf J-10 facility is situated over or within 100 feet of the Bay and thus requires a BCDC permit for the demolition. The Port submitted a BCDC application to demolish and remove the Wharf J-10 building and the entirety of the substructure except for the existing row of piles adjacent to the seawall; existing row of "marker" piles bayward of the Wharf J-10 facility, and all piles within the F. Alioto leasehold which do not pose an immediate threat to navigation or public safety. F. Alioto requested retention of the piles at its leased premises, in order to preserve an opportunity to determine their viability in any future reuse or rebuilding plans. Accordingly, the Port will make all reasonable efforts to direct its contractor not to demolish any of the piles within the F. Alioto leasehold that are not obviously in danger of falling, or are not otherwise a threat to navigation.

Demolition Schedule

At this time, abatement of hazardous materials within and on the structure is proceeding to avoid release of such substances during the demolition. This stage of the process should be completed within two to three weeks. Demolition of the structure will begin as soon as applicable permits and regulatory approvals are secured and a demolition contract is signed, and is expected to take about three months to complete.

The Port's Real Estate staff will continue coordinating with the Wharf J-10 tenants, and be in contact with all Port tenants in the 300 and 400 blocks of Fish Alley to provide information on schedule and phasing, with specific efforts to minimize disruption to tenant operations during this demolition project.

Submitted by: Nita Mizushima
Chief Harbor Engineer

PORT OF SAN FRANCISCO

MEMORANDUM

April 16, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation regarding the Brannan Street Wharf Open Space Project.

DIRECTOR'S RECOMMENDATION: REVIEW PRESENTATION OF PROGRESS ON DEVELOPMENT OF A CONCEPT DESIGN FOR THE BRANNAN STREET WHARF OPEN SPACE AND RECEIVE PUBLIC COMMENT.

BACKGROUND:

The Port and the Bay Conservation and Development Commission (BCDC) have both called for the development of the Brannan Street Wharf (the Wharf) when these two agencies reached an historic agreement in July, 2000, establishing consistent policies for the San Francisco waterfront in the Port and BCDC's plans. The Wharf is identified as a major neighborhood and destination open space, in the Port's Waterfront Land Use Plan, in BCDC's amended Special Area Plan, and in the San Francisco General Plan - Northeastern Waterfront Area Plan.

Brannan Street Wharf will be a new open space defining the center of the South Beach neighborhood. It will replace Piers 34 and 36 and be 57,000 square feet of new wharf over the water parallel to the Embarcadero Promenade. It is located on The Embarcadero Promenade between Pier 30-32 and Pier 38.

This Print Covers Calendar Item No. **6A**

The Brannan Street Wharf was also identified in the State legislation passed in 2001 (AB 1389) regarding development of Pier 30-32 for the Bryant Street Pier cruise terminal project. As per that legislation, funds for the Brannan Street Wharf are required to be fully encumbered prior to a BCDC permit being issued for the cruise terminal project, and the construction of the Wharf must be completed prior to the cruise terminal project becoming operational. Previously, the Port/BCDC agreement anticipated construction of the Wharf to be within 15-20 years from the cruise terminal construction.

The first phase of the Wharf is to work with the public to develop a concept design to submit to the Port Commission and the BCDC Commission for their consideration. The Port working with BCDC, has conducted a public planning process for the Brannan Street Wharf working with a citizens advisory committee (CAC) for this project. The CAC includes representatives from the South Beach/Rincon Point Citizens Group, other residents, merchants, and a variety of interest groups representing a broad mix of local and regional view points (see Attachment B for a list of CAC members).

The Port hired a consultant team led by Economic Research Associates to assist staff in preparing the concept design. The team has provided expertise in engineering evaluation, landscape architecture and economics. To date the Port has conducted seven CAC meetings and three public workshops. In addition, the concept design was reviewed at a joint meeting of BCDC's Design Review Board and the Waterfront Design Advisory Committee three times, with the most recent being on December 9, 2002. The proposed concept design represents the comments and ideals of both the CAC members and those on the design review committees.

Proposed Concept Design

The Project will be a new wharf connected to and running parallel to the Embarcadero Promenade beginning at the south edge of Pier 30-32 and extending for about 830-feet through the area of Pier 36. It will have a wedge shape with its narrowest point adding about a 10-foot wharf to the edge of Pier 30-32 and widening to about 140-feet at the south end of Pier 36. The Wharf may reuse the piles in the area of Pier 36 and would be new construction north of Pier 36. The major project components include a 400-foot length lawn area, a waterside walkway with seating, shade-sheltered picnic/game tables, and a small-craft float. The design remembers its San Francisco waterfront history by taking on the shape of Pier 36, by leaving seven rows of the 42-inch diameter concrete piles at the outer portion of the Pier in the water, and by placing bronze strips in the paving to note the locations of former rail lines.

The Wharf is designed flat with the lawn being in a raised planter of about 15-inch height. The openness of the site is intended to orient the Wharf both toward the Bay and the adjacent neighborhood. A low wall that also functions as a sitting edge surrounds the

lawn. The Wharf will also feature a series of interpretive exhibits that encourage interaction about Bay currents, tides, wildlife and fisheries, and history.

Implementation

The consultant team and Port staff have prepared a concept level cost estimate for the Wharf that is about $15 million inclusive of soft costs. The Brannan Street Wharf would be financed by a combination of proceeds from the sale of a portion of seawall lot 330 for residential development, and the Port's open space banking required by the Special Area Plan agreement with BCDC in 2000. Final design and construction may become the responsibility of the Bryant Street Pier cruise terminal developer and as described above, be timed to occur with the development of the cruise terminal.

Commission Action

The Commission should hear public comment and provide comments to Port staff. The BCDC Commission will also review the project at an informational hearing and it will then be brought back to the Port Commission for consideration of approval of the concept design.

Submitted by: Dan Hodapp
Senior Waterfront Planner

Attachment A

Special Area Plan Policies for the Brannan Street Wharf. The following are the BCDC San Francisco Waterfront *Special Area Plan* (SAP) policies that apply to the Brannan Street Wharf. These were considered by the Port Commission in July, 2000 as part of the coordinated Port Waterfront Land Use Plan and BCDC Special Area Plan amendments:

1. **The Plaza.** The SAP calls for the creation of the Brannan Street Wharf to serve the South Beach neighborhood, the City of San Francisco, and the region. The SAP states that the park should be a minimum of 57,000 square feet in size and extend at least 600 feet along The Embarcadero, Bayward of and not including Herb Caen Way. The new Wharf should reflect the character and needs of the South Beach neighborhood and visitors to the area, should establish a unique activity center, should provide a respite between the adjacent, more intensively developed areas, and should accommodate a variety of possible recreational activities and serve as both a local and regional destination.

2. **Removal of Piers 34 and 36.** The SAP calls for the removal of Piers 34 and 36 to create new, permanent open water beyond the Wharf. Portions of these piers can remain and be incorporated into the Wharf provided that these remnants are structurally sound. Pier removal and park construction should result in a net fill reduction of approximately 140,000 square feet. The park may be expanded up to 1,000 feet in length to include one or both of the marginal wharves to the north and south (one wharf is located between Piers 34 and 32 and one is located between Piers 36 and 38).

3. **Uses.** The SAP states that the uses that should be considered in the program for the park include small informal play fields (e.g., volleyball), tot lots or other facilities for children, viewing areas, picnic areas, and other uses consistent with a recreational park theme. On the water side, uses to be considered include transient boat tie-ups, kayak and other handheld craft launch and landing areas, and related, water-oriented recreation facilities in order to enliven the adjacent new park.

4. **Design.** The SAP calls for a park design that is well integrated with Herb Caen Way. The plan also states that a cohesive design treatment should be applied to the entire Open Water Basin edge, including the south apron of Pier 32, the park and the north apron of Pier 38. The plan states that the detailed design of the park should: (1) reflect the park's location over the Bay; (2) provide viewing areas, seating, and picnic areas; and (3) provide for other uses consistent with a recreational park, such as fountains, interpretive signs, a small amphitheater, sheltered areas for activities such as chess and checkers, fish cleaning facilities, public art, water stairs, and site furnishings.

5. **Commercial Uses.** The SAP states that the park users should be served primarily by new commercial uses at Pier 30-32 and Pier 38 with limited accessory commercial uses in the park that are clearly incidental to and supportive of the park uses, such as food carts and small kiosks. These uses should be concentrated within the existing marginal wharf areas to either side of the new park or located so that they do not interfere with the recreational use of the park.

Vehicular Access. The SAP states that only maintenance and emergency vehicles may be permitted in the park.

Attachment B

Brannan Street Wharf
Project Participants

Citizens Advisory Committee:
Aditya Advani
Michael Alexander, San Francisco Beautiful
Janet Curtis, The Trust for Public Land
Chris Degenhardt
Carl Ernst, Pier 38 Maritime
Alfonso Felder, San Francisco Giants
Richard Forst, South Beach Yacht Club
Ellen Johnck, Bay Planning Coalition
Redmond Kernan, San Francisco Planning & Urban Research
Karen Kho, Urban Ecology
Jeffrey Leibovitz, Rincon Point/South Beach CAC
David Lewis, Save San Francisco Bay
Mary Anne Miller, San Francisco Tomorrow
Milton Marks, III, Friends of the Urban Forest
Maurice Cococcia, Lend Lease Development
Judith Patterson, Rincon Point/South Beach CAC
Arlene Rodriguez, Golden Gate National Parks Assoc.
Paul Nixon, Bay Access
Gerald Miller, Delancey Street Foundation
Michael Sweet, Rincon Point/South Beach CAC
Paul Warenski, Rincon Point/South Beach CAC
Beverly T. Wilson, Rincon Point/South Beach CAC

Project Staff:
Dan Hodapp, Port of San Francisco
Brad McCrae, BCDC
Joe LaClair, BCDC
Ann Buell, California State Coastal Conservancy

Consultant Team:
Economic Research Associates – feasibility analysis
Sasaki Associates – project management, urban design and landscape architecture
Real Estate Planning Strategies – public outreach
Han-Padron Associates – marine engineering
Olivia Chen Consultants – civil engineering
Arcost – cost estimating

PORT OF SAN FRANCISCO

MEMORANDUM

April 16, 2003

TO: **MEMBERS, PORT COMMISSION**
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Piers 27-31 - Mixed Use Recreation Project: Informational Presentation by SF Piers 27-31, LLC ("Developer") on Revisions to Preferred Alternative Project**

DIRECTOR'S RECOMMENDATIONS: NO ACTION REQUIRED

I. EXECUTIVE SUMMARY

On November 12, 2002, the Port Commission authorized the Executive Director to extend the Exclusive Right to Negotiate (ERN) Agreement for a Mixed-Use Recreation Project on Piers 27-31 with SF Piers 27-31, LLC (formerly referred to as The Mills Corporation). The parties originally executed the ERN Agreement on June 13, 1002. Under the First Amendment executed November 27, 2002, the ERN period was extended from December 12, 2002 through January 13, 2004.

This informational item provides for the selected Developer, SF Piers 27-31, LLC, to present to the Port Commission its revisions to that Preferred Alternative Project originally approved by the Port's Executive Director under the Development Memorandum executed by the parties on March 29, 2002. No action is scheduled. The revisions presented herein have been made as a consequence of further design and site planning informed by comments by, among others, the Port staff, the National Park Service and State Historic Preservation Office, San Francisco Heritage, the Ferry Building-Northeast Waterfront Advisory Group, citizens attending a dozen workshops held by the Developer in every Supervisorial District, and by the professional site planners, architects and landscape architects under contract to Developer.

This Print Covers Calendar Item No. **6B**

This presentation is in satisfaction of Performance Benchmark No. 3 (regarding significant changes to the site plan) and Performance Benchmark No. 8 (requiring at least two presentations before the Port Commission during the period of the ERN); both were included in the First Amendment to the ERN Agreement approved by the Commission in November 2002.

The most significant revisions to the Preferred Project Alternative include (in the order discussed herein):

- Development of an Bay-oriented Integrated Recreation Plan for the entire project
- Enhanced design of the YMCA entry and closer siting to The Embarcadero
- Preliminary design and layout of Phase I of the Northeast Wharf Plaza
- Relocation of the Beltline Railroad Building to activate the Plaza
- Refinement of the PortWalk and History Walk
- Relocation of parking from the ground floor of Building 31 to the second floor of Pier 29 1/2 bulkhead to permit views of the trusses and other historic architectural elements in Building 31
- Reduction of parking in the Sports Valley

II. BACKGROUND

By a Request for Proposals dated November 12, 1999, including a subsequent Amended Request for Proposals dated August 31, 2000, Addendum No. 1 dated October 2, 2000, and Addendum No. 2 dated November 17, 2000, the Port solicited proposals from qualified parties to lease an approximately 19-acre complex of piers under the Port's jurisdiction located at Piers 27, 29, 29 ½ and 31. Two proposals were received in response to the RFP on December 5, 2000.

On April 18, 2001, by Resolution No. 01-30, the Port Commission authorized the Executive Director to enter into an ERN Agreement with SF Piers 27-37, LLC (Developer) to develop the Piers 27-31 Mixed-Use Recreation Project. On June 13, 2001, the Port and Developer executed an ERN Agreement with an initial period of June 13, 2001 through December 12, 2001, with two six-month option periods. Developer exercised the two options, extending the agreement to December 12, 2002.

Pursuant to the ERN Agreement, Developer prepared a Preferred Alternative Project during summer 2001, which Developer presented to Port staff, various community groups, BCDC and the Port Commission during fall 2001. Based on the Preferred Alternative Project, the parties then negotiated a Development Memorandum setting terms and conditions that must be included in the LDDA and Lease forms for the Executive Director to recommend their approval to the Port Commission and the Board of Supervisors. The Development Memorandum was executed on March 29, 2002.

Following several months of further work to refine the project, on August 2, 2002, Developer and the Port jointly filed an Environmental Review application to the San Francisco Planning Department. To augment this application, Developer prepared a new set of drawings. These drawings together with more detailed drawings were incorporated

into the project's Part 2 Application for Historic Tax Credits, which Developer and the Port jointly submitted to the California Office of Historic Preservation and the National Park Service during fall 2002, and is still pending.

On November 12, 2002, the Port Commission authorized a First Amendment to the ERN Agreement, which the Executive Director entered into on November 27, 2002. This amendment extended the ERN period from December 12, 2002, through January 13, 2003, and created a new set of Performance Benchmarks (see Attachment A). The extension was conditioned upon Developer's paying a non-refundable Negotiating Fee of not less than $100,000 and an additional payment of not less than $30,000 to cover real-estate consulting costs, both of which have been paid. To date, all Performance Benchmarks have been met to the Port's satisfaction.

Under the tentative project schedule used by the parties for purposes of the ERN, the San Francisco Planning Commission is scheduled to certify the Final Environmental Impact Report ("FEIR") on December 4, 2003. Shortly thereafter, the Port Commission would approve the final forms of a Lease Disposition and Development Agreement (LDDA) and Lease. The Board of Supervisors would review the Lease during January 2004. Close of Escrow and delivery of the Lease would follow during spring 2004. Construction would take approximately 18 months, with the Grand Opening expected at the end of 2005.

III. REVISIONS TO THE PREFERRED ALTERNATIVE PROJECT

Under the Performance Benchmarks agreed to in the ERN, Developer is required to submit to Port staff proposed revisions to the Preferred Alternative Project that are deemed to be "substantial modifications." On April 4, 2003, Developer submitted such revisions as required. Materials provided to the Port included revised site plans; illustrative plans, elevations and renderings of the YMCA Facility; a History Walk plan; and illustrations of recreation and marine recreation activities included in the Project.

The revisions do not include any fundamental changes to the Project as it is described under the Development Memorandum. For example, the square footages stated there have not changed materially. However, the revisions were necessary to respond to other Performance Benchmarks set by the Port, including the need to reflect the results of consultations with the general public, governmental agencies, as well as Port staff. The current changes are described in this Staff Report with reference to the plan included in the Development Memorandum (March 29, 2002) and to the revised plan submitted with the Environmental Review Application (August 2, 2002).

Recreation:

- *March 29, 2002 Site Plan – 291,000 gsf.*
  Principal recreation elements of the March 29, 2002, site plan were a **new YMCA** facility of between 110,000 gsf and 134,000 gsf including an at least 20,00 gsf indoor portion of an **indoor/outdoor Skatepark/BMX Track,** a **high adventure/rope climbing center** and a major **aquatic center**; an outdoor portion of the Skatepark/BMX Track measuring approximately 32,000 gsf; a **Marine Sports Basin**

in the open water basin surrounded by Piers 29, 29 ½ and 31 served by an adjacent **Waterfront Boating Center** measuring 5,000 gsf on the surrounding piers; a wind-protected **outdoor Sports Valley** with spectator seating, sited between Pier 29 and the new YMCA and measuring 32,000 gsf and featuring basketball, volleyball courts; and **other indoor and outdoor commercial enterprises** making up the balance of the 291,000 gsf of recreation. No other public recreation center in the Bay Area has the range of public recreation facilities.

The **YMCA** will have no membership requirements; all activities will be open to the general public with per-use, per-day or monthly fees and other affordability components agreed to per the terms of the Project Lease. The YMCA is planned to be Bay-oriented with extensive sections of glass overlooking the waterfront. It will include: a **multi-court gymnasium**; an **aquatic center** featuring recreational pools and a six-land, 25-meter lap pool; the 20,000 gsf indoor portion of the **Skatepark/BMX Track**; a **"high adventure center"** that can be viewed through glass with programs such as a high ropes course and a "climbing center" with a multi-faceted rock formation; a "**health and wellness center**" featuring personalized and relevant programs in a non-intimidating environment; a **"teen club"** programmed with musical, theatrical, social, gaming and instructional activities; a **"launch pad"** room for use as a meeting room or staging area before participation in activities at the YMCA Facility; a **"child watch"** center that includes outdoor protected playing space; and a **"community center"** available for classes and community meetings.

The **Marine Sports Basin** on approximately 168,000 square feet of open water, will be programmed by the America True Foundation and operated by America True Foundation or a similar operator approved by the Port, based on the Waterfront Boating Center. Maritime recreational uses are planned to include: small boats, including sailing, kayaking, kitesurfing, as well as dragon boat and other paddle sports; dockside mooring with a launch service for short-term use by small and mid-sized transient boats, temporary berthing at the end of the piers for larger vessels such as historic vessels and excursion vessels; windsurfing; adult and youth programs and lessons; rental kayak storage plus other maritime services at the Waterfront Boating Center; and an adjacent floating platform to be used for both instructional programs and entertainment events, such as non-amplified sunset concerts. Mooring of pleasure craft or berthing of excursion vessels or water taxis will be subject to the Port's prior approval.

Between the new YMCA building at Pier 27 and the historic Pier 29 Shed, the proposed **Sports Valley** will be an exterior, wind-protected area of approximately one acre. The Sports Valley will include outdoor "flex-space" usable for basketball and/or volleyball, bocce/lawn bowling, or tennis, plus children's playgrounds and viewing areas. YMCA staff will manage the Sports Valley when the YMCA Facility is open. At times, the YMCA may reserve courts in the Sports Valley for league play. Most of the time, however, the courts will remain open for free, "pick-up" use by the general public. Subject to the availability of on-site security personnel, the courts could operate after hours as well.

When the public walks through the Sports Valley or past the Aquatic Center to the end of Pier 27, they will discover the indoor-outdoor **Skatepark/BMX Track**. Well over an acre in size, and enjoying outstanding views of the Bay, the Skatepark can accommodate skateboarders, inline skaters and cyclists alike. Features will include vertical ramps for experts, street-course ramps and rails for intermediate athletes, and an area for the novice skater/riders. Much of the park will covered by the roof of the new Y building and so will remain useable in poor weather and after dusk when winds usually increase. The YMCA expects to open the park slightly later each morning and keep it open slightly later each evening than other YMCA-run facilities.

Other recreational uses in the rehabilitated Pier 29 or Pier 29½ sheds will include a 20,000 square foot bowling center, plus another 38,000 square feet of indoor recreational space. Because the project still requires governmental approval, the team has been unable to identify the particular sports and other recreational activities that would occur there. Possible enterprises include a yoga/spa facility, automated batting and pitching cages for hardball and softball, and/or a "Hobbyist Center," featuring activities such as slot-car racing. ; and the **Maritime Exhibit Center**, integrated with the **Port's History Walk**. These uses will be operated by private, non-YMCA tenants.

The **indoor, wind-protected recreation** opportunities in the YMCA and pier sheds will be enhanced by **views toward the Bay**, islands, bridges and Treasure Island, afforded by the replacing 11 massive roll-up cargo doors (18' 6" x 16') in Pier 29 with glass (the doors, which are historic, will be retained in place, and visible, but rolled up). **Views to and from the Sports Valley** will also be created from inside the YMCA and Pier 29. **Outdoor recreation** opportunities on Piers 27, 29 and 29½ will include passive recreation, active recreation, and enjoyment of views from partly-sheltered areas.

- *Revised August 2, 2002 Site Plan – 301,000 gsf.*
  The principal changes shown on the August 2, 2002 plan submitted as part of the Environmental Review Application was to reduce the size of the YMCA Facility to 110,000 gsf, in order to remain within their budget and fundraising target. The principal effect was to retract the Aquatic Center back into the body of the YMCA, but to retain the extensive glass wall looking south/southeast. All square feet of active indoor recreation was replaced by square feet of active recreational space in outdoor locations, including on the south-facing area adjacent to the Northeast Wharf Plaza.

- *Current Revised April 4, 2003 Site Plan – 301,000 gsf.*
  In satisfaction of Performance Benchmark No. 7 Developer prepared an Integrated Recreation Plan for the project, which describes how the indoor and outdoor programs and activities planned throughout the project will interface with each other and with the open space/public access areas of the Northeast Wharf Plaza. The design of the YMCA Facility was refined to ensure it draws the public toward it -- with large windows facing The Embarcadero and a dramatic extended "canopy" entrance. By entering the lobby of the YMCA a pedestrian will then have immediate access to a sequence of passageways running through the Sports Valley, Pier 29, the Marine

Sports Basin and Building 31. The surface parking lot that formerly lay next to the YMCA Facility has been eliminated, allowing the Sports Valley entrance to be widened, improving views toward the water, and increasing the potential uses of the site, which is the most wind-protected outside space on the project.

Open Space/Public Access/Northeast Wharf Plaza:

- *March 29, 2002 Site Plan – 423,000 gsf.*
  Public open space and public access areas will cover no less than 35% of the footprint of the Project, excluding the open water basin. The Northeast Wharf Plaza (the Plaza) required by the BCDC Special Area Plan was estimated to be 88,000 gsf. Costs of $2.1 million would be carried by the Port in the form of rent credits to Developer for the Phase I design. The Plaza, created at the foot of Pier 27 immediately adjacent to The Embarcadero, will offer views toward Treasure Island, Yerba Buena Island, the Bay Bridge and the end of Pier 23. Other open space and public access, totalling 335,000 gsf, includes an extension of the existing **PortWalk**, creation of a **History Walk**, and improvements of the aprons to create **a walkway around the perimeter of the site**. As required under BCDC's Special Area Plan, the **waterside ends of the piers** would include open spaces, and there would be **lateral passageways through buildings** at the site, including a major new passageway from The Embarcadero through Pier 29½.

- *Revised August 2, 2002 Site Plan – 368,000 gsf.*
  In preparing the Environmental Review Application, Developer completed more detailed design work and made more precise CADD measurements. As re-measured, overall public open space/public access totaled 8.5 acres, rather than 9.3 acres. However, the Northeast Wharf Plaza was found to be approximately 17,000 gsf larger than previously calculated, or 105,000 gsf (2½ acres). The remaining 263,000 gsf of this plan results from more precise measurements of public access areas, passageways, and open spaces at the end of piers. Using these areas was to be made more comfortable by including seating, trash receptacles and other furniture and to be tied together visually with compatible materials. Some sheltered areas will be built in.

- *Current Revised April 4, 2003 Site Plan – 373,200 gsf.*
  With guidance from Port staff and others Developer reexamined the Phase I site plan of the Northeast Wharf Plaza to maximize views and access to the Bay and to organize a range of possible uses that could serve to activate the 2.5 acre plaza. An important physical challenge at the plaza is to incorporate a 48-inch high, north-south grade change that is built into the existing Pier 27 deck area forming the foundation of Plaza. To take advantage of the existing grade change, Phase I would build seat stairs oriented toward Herb Caen Way. Two activity areas would then be built into the plaza, one a lawn-like "common area" close to the new YMCA Facility, and the second a "hardscape" closer to the water. These areas will allow both passive recreation, such as strolling or sitting to watch the Bay, and low-impact active recreational activities, such as Frisbee, Tai Chi, and kite-flying on the common area, which is more likely to be wind-protected.

Phase I would also relocate the historic Beltline Railroad Building to the eastern edge of the Plaza, facing The Embarcadero. Used as a two-story café with public restrooms, the building would become another means of attracting visitors who could view the Bay. The building would be sited to the south of the Lombard Street view corridor, so as to avoid affecting views of the Bay from that direction. By placing it so that it can be viewed easily from all sides, the charm and interest of the building can be better appreciated. The ultimate design and programming of the plaza (Phase II) will evolve through a public design review process, beginning with Waterfront Design Advisory Committee's joint meeting with the BCDC Design Review Board scheduled for June 9, 2003 at BCDC.

Starting at the Northeast Wharf Plaza at the southern edge of the Piers 27-31 project, the Port's PortWalk would be extended through the lobby of the YMCA Facility, across the mouth of the Sports Valley, through the historic buildings at Pier 29, along the water's edge of the Marine Sport Basin, and back out of the historic buildings at Pier 31. Parallel to The Embarcadero, the PortWalk would serve as the spine that organizes the entire project. The History Walk would trace much of the length of the PortWalk, but goes farther, wending its way through every portion of the Piers 27-31 complex. The History Walk would highlight different aspect of the site's history.

The current revisions slightly increase the amount of public open space/public access to 373,200 gross square feet, or 8.6 acres.

General Office Use:

- *March 29, 2002 Site Plan – 219,000 gsf.*
  The project includes 219,000 gsf of general office space, located on mezzanine levels inserted into the historic shed and bulkhead buildings at Piers 29, 29 ½ and 31, currently planned primarily for small-scaled office suites. Revenues from this use were to offset the substantial cost to Developer of seismic strengthening and historic rehabilitation of the site. Openings in the mezzanines were included to allow members of the public to see historic trusswork. Cargo doors in Building 31, which measure 16' 6" x 16' and, as in Pier 29, will be retained in a rolled-up fashion, and glazed to afford views out toward the water and to enable pedestrians to look into the building, as at Pier One.

- *Revised August 2, 2002 Site Plan – 219,000 gsf.*
  The August 2, 2002 plan did not change the total square footage of general office use, but moved some proposed openings toward the lobby area to improve public viewing.

- *Current Revised April 4, 2003 Site Plan – 219,200 gsf.*
  The current revisions do not change the total square footage of general office use, but reconfigure it substantially to reveal the historic trusswork, monitor windows and other architectural elements. Members of the historic preservation community, as well as the State Office for Historic Preservation and the National Park Service, had called for greatly increasing the cutouts of the mezzanine in Pier 31 to make the

second level details visible. However, because the ground floor had been proposed for parking, cutting into the mezzanines to permit the views would violate building and fire codes that regulate the horizontal separation of parking and office occupancies. To make possible this new design, Developer proposes to exchange all the parking space from the ground floor of the Pier 31 Shed with proposed office space originally planned to be built on the mezzanine of the Pier 29½ Bulkhead building. This exchange allows Developer to greatly improve the distribution and design of openings in the mezzanine floors. Pier 31 would have two-story office space, similar to the Port's Pier One building.

Recreation-Related Retail:

- *March 29, 2002 Site Plan – 111,000 gsf.*
  The Project includes sports-, maritime- and outdoor-related retail not to exceed 106,475 gsf, plus 4,500 gsf of kiosks, carts and other movable or temporary retail facilities. All retail uses are intended to be oriented around active recreational recreational pursuits. Retailers that are not related to recreation were to be limited to no more than 15% of the total retail space at the Project. Retail uses were proposed principally at Pier 29, with some maritime-related recreational retail spaces proposed along the front of The Embarcadero in the historic bulkhead buildings. The definition of "recreational retail" was to be negotiated under the Lease form.

- *Revised August 2, 2002 Site Plan – 111,000 gsf.*
  The August 2, 2002 plan did not change the total square footage of recreational retail use. However, the plan relocated and consolidated such space on the first third of the ground floors of Pier 29 and along the frontage of The Embarcadero at Piers 29½ and 31. Developer made these changes response to market requirements it discovered.

- *Current Revised April 4, 2003 Site Plan – 111,000 gsf.*
  The current revisions do not change the total square footage of recreational retail use. The configuration and location of retail spaces has not changed substantially either, though the final location and configuration must await more detailed review by Developer and Port.

Restaurants/Cafes:

- *March 29, 2002 Site Plan – 34,000 gsf.*
  The Project includes restaurants, cafes and other food services spread throughout the Site and together not exceeding 34,000 gsf, excluding outdoor seating. This plan called for three restaurants and six cafés. Their placement include major "destination" restaurants at the ends of Piers 29 and 31, with smaller establishments spread throughout the Site. Seating would activate adjacent outdoor areas.

- *Revised August 2, 2002 Site Plan – 34,000 gsf.*
  The placement and configuration of the restaurants and cafes was further defined for the Environmental Review Application; total square footage remained unchanged.

- *Current Revised April 4, 2003 Site Plan – 34,000 gsf.*
  Under the current revisions, there are two "destination" restaurants, one at the end of Pier 29, as originally planned, and the other along the PortWalk facing the Marine Sports Basin at the juncture of the Pier 31 Bulkhead and Shed. Eight cafes would now be co-located at the back of Pier 29½ overlooking the Marine Sports Basin. To activate the Northeast Wharf Plaza, a ninth café would be located in the two-story Beltline Railroad Building facing The Embarcadero south of Pier 27.

Parking:

- *March 29, 2002 Site Plan – 78,000 gsf for 197 spaces.*
  The Project includes on-site, short-term parking within Pier 31 and in the combined parking/drop-off area between Piers 27 and 29. Some 157 of the accessory parking spaces for the project were proposed to be developed on the first floor of the Pier 31 Shed, with another 40 spaces to be located in a smaller, surface lot in the Sports Valley, adjacent to the YMCA Facility. The smaller surface lot was primarily intended to accommodate the YMCA's shuttle van service.

- *Revised August 2, 2002 Site Plan – 75,000 gsf for 197 spaces.*
  There were no changes to accessory parking proposed in August 2002.

- *Current Revised April 4, 2003 Site Plan – 62,800 gsf for 212 spaces.*
  As noted in the discussion under General Office, accessory parking has been substantially altered under the current revisions. In responding to the desire to reveal more of the historic interior ceiling features of Building 31 parking was eliminated from the ground floor of the Pier 31 Shed and relocated to the mezzanine level at Pier 29½ where valet service can handle 212 cars. To better site the YMCA building, increase the area and shape of the Sports Valley and accommodate pedestrians using the PortWalk and the Sports Valley, Developer also eliminated the surface parking lot in the Sports Valley, setting the area aside for pick-up and drop-off only.

Service Areas and Cores:

- *March 29, 2002 Site Plan – not called out.*
  The March 29, 2002, did not call out specific service/elevator core areas.

- *Revised August 2, 2002 Site Plan – 18,000 gsf.*
  In preparing the Environmental Review Application for the project, Developer identified on the plan shared building areas for elevators, materials delivery, refuse collection, restrooms and similar uses. These areas were not dedicated to particular uses, but would be shared by all Piers 27-31 tenants, patrons and staff.

- *Current Revised April 4, 2003 Site Plan – 25,000 gsf.*
  By making the current revisions to the project, Developer was able to set aside service areas in a more systematic manner. The resulting 25,000 gross square feet is now expected to be of sufficient size and distribution to serve the project.

Other Uses:

The site plan does not account for maritime use that the Port will continue at the site. The Lease will reserve the outer 900 linear feet of Pier 27 for **berthing large vessels**, including temporary and ceremonial ship berthing and port-of-call cruise ship berthing. As called for in the RFP the project would be designed to accommodate the offloading of passengers and/or cargo as well as the servicing needs of such vessels; however the Port would bear the costs of all improvements and operations directly associated with such temporary ship berthing. This maritime use has not changed during the ERN period.

TABLE A
SUMARY OF SQUARE FEET BY SITE PLAN

	03/29/02	08/02/02	CURRENT 04/04/03
*Active Recreational Uses (Indoor/Outdoor)	291,000	301,000	301,000
Commercial Uses	364,000	364,000	364,000
Northeast Wharf Plaza	88,000	105,000	103,700
Other Open Space/Public Access	335,000	263,000	269,500
Parking	78,000	75,000	62,800
Service Areas and Cores	in above	18,000	25,000
Total	**1,078,000 sf**	**1,126,000 sf**	**1,126,000 sf**

* Excludes 168,000 gsf Marine Sports Basin between Piers 29, 29½ and 31.

TABLE B

PREFERRED ALTERNATIVE PROJECT
PER APRIL 4, 2003 SITE PLAN (Gross Square Feet)

Leasable Areas		
Active Recreational Uses	301,000	*Includes 110,000 gsf indoor YMCA Fac.*
Commercial Uses	364,000	*Office Space – 219,000 gsf* *Recreational Retail – 111,000 gsf* *Restaurants – 34,000 gsf*
Parking	62,800	*212 valet-parked cars at Pier 29½ mezz.*
Total	**727,800**	*Excludes 168,000 gsf sports basin*

Non-Leasable Areas		
Northeast Wharf Plaza	103,700	*Rent credit to Developer*
Other open space/public access	269,500	*Permanent easements to general public*
Service Areas/Cores	25,000	*Shared amongst all uses*
Total	**398,200**	*Excludes 900-ft. ship berthing at Pier 27*

Total Site		**1,126,000**
Active Recreational Uses	27%	*Excludes 168,000 gsf sports basin*
Open Space/Public Access	33%	*Permanent easements to general public*
Commercial Uses	32%	*85% must be related to Active Recreation.*
Parking	6%	*Visitors only; employees to park off-site*
Service Areas/Cores	2%	*Serves all uses*
Total	**100%**	

Total Site without Northeast Wharf Plaza		**1,022,300**
Active Recreational Uses	29%	*Excludes 168,000 gsf sports basin*
Open Space/Public Access	26%	*Excludes N.E. Wharf Plaza*
Commercial Uses	36%	*85% must be related to Active Recreation.*
Parking	6%	*Visitors only; employees to park off-site*
Service Areas/Cores	2%	*Serves all uses*
Total	**100% without Northeast Wharf Plaza**	

ATTACHMENT A

PROPOSED PERFORMANCE BENCHMARKS FOR ERN EXTENSION

[Capitalized terms have the meanings ascribed to them in the Exclusive Right, or if not defined therein, in the RFP]

BENCHMARK	TIME FOR PEFORMANCE
1. TENTATIVE SCHEDULE. Developer and Port will agree on a tentative Schedule for the development of the Project including, without limitation, a timetable for Project design, regulatory approvals, community outreach, construction and lease commencement date; such schedule to be revised, as the project progresses.	Developer will continue to submit revised Schedules to Port staff , beginning no later than January 1, 2003, said schedule to be agreed upon by Port staff and Developer not less than every 30 days thereafter, unless requested by the Port to update in response to a significant event affecting the project.
2. COMMUNITY OUTREACH. Developer and Port have agreed upon community outreach program and Developer has met goals of program in timely manner; during the period of the ERN extension this program will continue as agreed. In addition, Developer will offer to meet with the Northeast Waterfront Advisory Group (NEWAG) no fewer than four (4) times.	No later than January 31, 2003, and at least every 90 days thereafter during the Extended Term, Developer shall present the Project to NEWAG for review, comment and question, provided that Developer will not be held in default if, through no material default of Developer, the Northeast Waterfront Advisory Group fails to meet, or fails to request attendance of the Developer at its meetings at such times during the Extended Term.
3. CHANGES TO PREFERRED ALTERNATIVE PLAN. If the Preferred Alternative Plan is substantially modified during the period of the ERN extension, particularly as a result of direction provided from a regulatory entity empowered to authorize such a change, the Developer shall provide pertinent information to illustrate those changes, including, but not limited to: (a) Schematic or conceptual designs, general site plans, elevations, and perspective drawings, models, photographs or other representations showing the general design and space allocation; (b) general location of uses; circulation; (c) landscaping; and (d) relationship of the Project to its surroundings (such designs shall directly address the Port Conditions pertaining to the design and programming of the Project); (e) development costs projections; and (f)	(a) through (e) within 45 days of a substantial change; (f) within 60 days of a substantial change.

preliminary cash flow projections (including development costs and detailed operation pro formas for the first 10 years of operation).	
4. YMCA SITE PLAN ON PIER 27. The Developer shall submit a refinement of the August 2, 2002 revised Preferred Alternative Site to the Port, illustrating how the area on the exterior of the YMCA building, to the southwest, will be activated and will serve to reinforce activities and uses on the Northeast Wharf Plaza, to which it is adjacent.	No later than February 28, 2003.
5. YMCA GUARANTY. Developer has provided Port with (1) a Guarantee from the Mills Limited Partnership, guaranteeing all of the obligations under the LDDA, including, without limitation, construction period rent, and completion of all of the improvements, including the YMCA building, that is given by a financially sound entity having, and (2) provided evidence showing that the Guarantor has guaranteed the concurrent completion of the full YMCA facility proposed without any effect on the Port's participation rent or other consideration under the Lease or LDDA, and without any effect on the long-term presence or economic viability of the YMCA at the Project site for the entire Lease term.	Developer will provide Port with a form of Guaranty acceptable to Port no later than March 31, 2003, delivery of which guarantee shall become a condition precedent to Port's obligation to deliver a leasehold to Developer.
6. YMCA FUNDRAISING. Developer and the YMCA shall report to Port staff at least every three months during the Extended Term, the non-confidential details of the YMCA's fundraising activities, including number of persons contacted and response, future planned fundraising activities, changes in the fundraising program, and other information reasonably requested by Port.	No later than each of the following dates during the Extended Term: March 31, 2003; June 30, 2003, September 30, 2003, and December 31, 2003.
7. INTEGRATED RECREATION PLAN. Based on the revised Preferred Alternative Project as shown on the August 2, 2002 site rendering, Developer shall prepare an Integrated Recreation Plan that describes how the indoor recreation programs and activities in Pier 29 will facilitate and, in turn, will be facilitated by, the combination of recreation programs and activities planned	No later than March 15, 2003.

for the YMCA, the Sports Valley, and the Marine Sports Basin. It should address planned activities that would occur on or interface with the open space/public access areas and the Northeast Wharf Plaza. Circulation, signage, placement of recreation elements adjacent to one another, and information on expected usage patterns should be elements in the Plan, which may address other elements as well.	
8. PRESENTATION TO PORT COMMISSION. Developer will present its revised Preferred Alternative to the Port Commission at least twice during this ERN extension period.	No later than March 31, 2003 for the first presentation, and September 15, 2003, for the second presentation, provided that Developer will not be held in default if, through no material default of Developer, the Port Commission fails to hear the matter at one of its meetings within these dates.
9. LEASE DISPOSITION AND DEVELOPMENT AGREEMENT. Developer and Port shall reach final agreement on the form of Development Agreement and Lease, including, without limitation, all exhibits.	The earlier of (1) certification of the Project EIR by the Planning Commission, or (2) expiration of the Extended Term.

ATTACHMENT B: APRIL 1, 2003 SITE PLAN

PORT OF SAN FRANCISCO

MEMORANDUM

April 16, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Brian McWilliams
Hon. Denise McCarthy

FROM: Douglas F. Wong
Executive Director

SUBJECT: **Approval of Modifications to the Lease Disposition and Development Agreement, Lease, Hornblower Term Sheet and other documents with San Francisco Waterfront Partners, LLC for the Historic Rehabilitation Project at Piers 1-1/2, 3 & 5 located between Washington Street and Broadway**

DIRECTOR'S RECOMMENDATION: FOR THE PIERS 1-1/2-3-5 PROJECT, APPROVE MODIFICATIONS TO THE LEASE DISPOSITION AND DEVELOPMENT AGREEMENT, LEASE, HORNBLOWER TERM SHEET & OTHER DOCUMENTS WITH SAN FRANCISCO WATERFRONT PARTNERS, LLC

BACKGROUND

On March 11, 2003 the Port Commission, pursuant to Resolution No. 03-17, approved the historic rehabilitation project at Piers 1-1/2, 3 and 5 ("Piers Projects") by adopting the Mitigated Negative Declaration, approving the Lease Disposition and Development Agreement (LDDA), including Attachments, between the Port and San Francisco Waterfront Partners, LLC ("SFWP"), approving the Lease, including Exhibits, approving the Schematic Drawings, and approving certain amendments to the *Waterfront Land Use Plan.*

Pursuant to Resolution 03-17, Port staff was required to bring back to the Commission for its review and approval the proposed resolution of the outstanding issues between SFWP and the Port's tenant at Pier 3, Hornblower Yachts, Inc. ("Hornblower"). The parties have resolved these issues and request the Port Commission's approval thereof.

MODIFICATIONS

Pursuant to the Port Commission's direction, Port staff negotiated certain modifications to the documents for the Piers Project. These modifications include the following:

1. Modifications to the Hornblower Term Sheet (Attachment 15 to the LDDA): these modifications (a) clarify the parking arrangements for SFWP to lease 25 parking spaces at Pier 3 directly from Hornblower; (b) allow for placement of temporary special event tents in

This Print Covers Calendar Item No. **6C**

the Restricted Use Zone; (c) allow for placement of barges in Hornblower's Restricted Berthing Areas during construction of the Piers Project in order to enable SFWP to install its public access improvements; (d) adds language requiring SFWP to indemnify Hornblower for property damage or injury during construction; (e) eliminates the requirement for Hornblower to relocate one of its vessel landings on the south side of Pier 3; (f) eliminates the notice requirement for after-hours access to the flagpole; and (g) adds language requiring Hornblower to indemnify SFWP for property damage or injury caused by Hornblower's activities on the roof.

2. Modifications to the Lease between SFWP and the Port: (a) amends the Lease to reflect the revisions to the Hornblower Term Sheet, as set forth above; and (b) expands the definition of "utilities area" to include all utilities under the Pier 3 shed and bulkhead. The Port also will be able to modify the Lease prior to Close of Escrow to allow the Port to prohibit, or incorporate a redesign process relating to, the construction of the boat dock at Pier 1-1/2 if the Port determines in its sole discretion that such dock will create an unreasonable interference with navigation of Hornblower's vessels at Pier.
3. Modifications to the LDDA between SFWP and the Port: (a) amends the LDDA by allowing the Port to prohibit, or incorporate a redesign process relating to, the construction of the boat dock at Pier 1-1/2 if the Port determines in its sole discretion that such dock will create an unreasonable interference with navigation of Hornblower's vessels at Pier.
4. Modifications to the Scope of Development (Ex. F and Attachment 10): adds language to allow the Port to prohibit construction of the boat dock at Pier 1-1/2 if the Port determines in its sole discretion that such dock will create an unreasonable interference with navigation of Hornblower's vessels at Pier 3.
5. Modifications to the Parking Agreement (Attachment 16 to the LDDA): amends this agreement to reflect the revisions to the Hornblower Term Sheet, as set forth above.
6. Revisions to Exhibit 1 to the Hornblower Term Sheet: conforms the exhibit to the text changes in the Hornblower Term Sheet.
7. Revisions to Site Plan (Exhibit B & Attachment 2): adds the utilities area under the Pier 3 shed and bulkhead.

Port staff simultaneously has negotiated certain amendments to Hornblower's two leases at Pier 3 (Lease No. L-12175 for Hornblower and Lease No. L-10421 for the Ferryboat Santa Rosa) and other leases on Port property. These proposed amendments will be brought to the Port Commission for approval in open session at a later date.

RECOMMENDATION

Port staff respectfully requests approval of the modifications to the Piers Project documents as set forth above.

Prepared by Jennifer Sobol
Project Manager

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-32

WHEREAS, On March 11, 2003, pursuant to Resolution No. 03-17, the San Francisco Port Commission ("Commission") adopted the Final Mitigated Negative Declaration for the Piers 1-1/2-3-5 Historic Rehabilitation Project ("Piers Project"); and

WHEREAS, The Commission adopted the mitigation and improvement measures and the mitigation monitoring program prepared for the Project; and

WHEREAS, The Commission amended the Waterfront Plan to allow for the redevelopment of the Piers Project; and

WHEREAS, The Commission approved the form and substance of the LDDA and the Lease and the transactions which the LDDA and the Lease contemplate, incorporating the business terms set forth in the Memorandum for Agenda Item 5A for the Port Commission meeting on March 11, 2003; and

WHEREAS, The Commission approved the form and substance of the Parking Agreement and the transactions which the Parking Agreement contemplates, incorporating the business terms set forth in the Memorandum for Agenda Item 5A for the Port Commission meeting on March 11, 2003; and

WHEREAS, The Commission approved the Schematic Drawings of the proposed Piers Project and authorized the Executive Director to approve non-material changes in the Schematic Drawings, including a change that would connect the PortWalk directly to the eastward side of the Piers Project buildings and eliminate the "leg" on the water taxi dock; and

WHEREAS, The Port Commission authorized and directed the Executive Director of the Port (the "Executive Director") to forward the Lease document and Parking Agreement to the Board of Supervisors for approval, pursuant to its authority under Charter Section 9.118(c), and upon the effectiveness of such approval, to execute the LDDA, and subject to the terms of the LDDA, to execute the Lease, in substantially the form of such agreements on file with the Commission Secretary, and in such final form as is approved by the Executive Director in consultation with the City Attorney; and

WHEREAS, The Port Commission requested Staff to seek its review and approval of the resolution of issues between SFWP and the Port's tenant at Pier 3, Hornblower Yachts, Inc. ("Hornblower"); and

WHEREAS, Port staff has negotiated a resolution of these issues between Hornblower and SFWP; and

WHEREAS, The resolution of these issues requires certain modifications to the documents for the Piers Project, namely, the LDDA, Lease, Hornblower Term Sheet, Scope of Development, Parking Agreement and certain exhibits; and

WHEREAS, The Port and SFWP have negotiated modifications to these documents to resolve the issues between Hornblower and SFWP; now therefore, be it

RESOLVED, That based on the foregoing, the Port Commission hereby finds that: (1) the project as modified by the modifications approved by this action (the "Project") is within the scope of the project analyzed in the Mitigated Negative Declaration, and the Project does not raise any important new issues about the significant effects on the environment not previously considered Mitigated Negative Declaration; (2) no changes are proposed or have occurred due to the Project that would require major revisions to the Mitigated Negative Declaration due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; (3) no substantial changes have occurred with respect to the circumstances under which the Project is being undertaken that would require major revisions to the Mitigated Negative Declaration due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; and (4) no new information of substantial importance has become available since the Mitigated Negative Declaration was certified indicating that: (a) the Project will have one or more significant effects not discussed in the Mitigated Negative Declaration; (b) significant effects examined in the Mitigated Negative Declaration would be substantially more severe; (c) mitigation or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the Project; (d) mitigation measures or alternatives which are considerably different from those analyzed in the Mitigated Negative Declaration would substantially reduce one or more significant effects on the environment; and be it further

RESOLVED, That the Port Commission approves the modifications to the Piers Project documents, as set forth in the Memorandum for Agenda Item 6C for the Port Commission meeting on April 22, 2003; and be it further

RESOLVED, That the Port Commission approves, confirms and ratifies all prior actions taken by the officials, employees and agents of the Port Commission or the City with respect to the LDDA and the Lease for the Piers Project.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of April 22, 2003.

_____
Secretary

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SAN FRANCISCO
PORT COMMISSION

APRIL 22, 2003
MINUTES OF THE REGULAR MEETING

DOCUMENTS DEPT.

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DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
APRIL 22, 2003

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 4:06 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon, Denise McCarthy, and Brian McWilliams.

2. APPROVAL OF MINUTES - March 25, 2003 Regular Meeting

ACTION: Commissioner Brandon moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; the minutes of the March 25, 2003 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report

Executive Director Wong reported that the Ferry Plaza Farmer's Market will open at the Ferry Building on Saturday, April 26th. The Farmer's Market will be open four days a week – Tuesday, Thursday, Saturday and Sunday, with the goal of expanding to seven days a week. The Saturday market will be located outdoors on the rear plaza overlooking the bay and in front of the Embarcadero. The other market days will spill out of the arcades onto the Embarcadero sidewalk. The new Sunday Garden Market will feature plants, seeds, etc. from bay area nurseries. The Tuesday, Thursday and Saturday farmer's market will offer produce much of it organic and artisan food products. Shops in the Ferry Building Marketplace will begin to open to the public throughout the spring and fall of 2003.

Peter Dailey, Maritime Director, presented a plaque to Jim Wiltshire who is retiring from Marine Terminals Inc. Jim served the Port of SF over the past several years and increased the amount of shipping and economic benefit to the City. He traveled with the Mayor and Port Commissioners on trade missions that resulted in increased contracts for the Port. He was instrumental in coordinating the Nicaraguan relief effort at Pier 80 that sent 50 containers of supplies. He serves as co-chair of the Port's Maritime Commerce Advisory Committee and a number of other civic organizations.

Mr. Wiltshire thanked everybody, particularly, Peter Dailey and his group and remarked that he enjoyed working with everybody at the Port.

4. CONSENT

A. Request for authorization to offer through competitive bid a two-year lease for surface

parking at SWL 322-I, located at Front Street between Broadway & Vallejo Streets. (Resolution No. 03-29)

B. Request for approval of lease for surface parking between the Port and Imperial Parking (U.S.), Inc., a Delaware corporation, at Seawall Lot 330, located at the Embarcadero, between Bryant and Beale Streets. (Resolution No. 03-30)

C. Request for approval of a resolution to support funding for ferry service from future bridge toll revenues and Water Transit Authority's (WTA) plan for creating new ferry service. (Resolution No. 03-31)

Commissioner McCarthy requested that staff provide the Commission a status report on Item 4C.

ACTION: Commissioner McWilliams moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. Resolution Nos. 03-29, 30, and 31 were adopted.

5. ENGINEERING & MAINTENANCE

A. Informational report on status of Wharf J-10 condition and proposed demolition.

Nita Mizushima, Chief Harbor Engineer, indicated that staff is presenting the status of Wharf J10 so that the Commission can be fully informed of the situation as well as the actions that have transpired. While the presentation is slated under "engineering and maintenance," it is a cross-functional team that has and will continue to work on this issue. Carol Bach of Environmental Health and Safety will cover the environmental concerns in the area, and Carol Anderson of Real Estate will cover the lease and community specifics.

Wharf J10 was first constructed in 1919 for fish packing and was used as such for many years. In 1975, with encouragement and recommendation from the mayor's office and the community, including the fishing industry, four 61-year leases were signed with Fish Processors to enable the leaseholders to finance the neccssary repairs on the 55-year-old structures. The idea was that this would revitalize the area and keep the "fish" in "fish alley". Today, two of the four companies are out of business. Cal Shellfish and F. Alioto (aka Alioto-Lazio Fish company) have 33 years left on their 61-year leases.

In August of 2000, Port staff observed severe cracking and settling of the west end of the building, had an independent engineering firm perform an inspection. The engineering firm found that the "severely deteriorated structural members are in danger of collapse" and that "the collapse of these substructural members could trigger the collapse of the building columns and the roof structure." The Port concluded that the premises was unsafe to occupy and issued a Notice to Vacate. Temporary shoring was installed to support just the worst portion of the building. Also separate, but in parallel, the Port was conducting the Fish Alley Historic Resources Survey and found that Wharf J-10 was potentially significant for listing on the California Register of Historic Places as a Contributor to a historic district. Because of this, staff anticipated that the demolition or

significant repair would be subject to CEQA (California Environmental Quality Act).

Staff then had an engineering study prepared to analyze the repair and reuse alternatives at this site. Five different options resulted including an option for historic preservation of the structure. The options ranged from full preservation at $12M to demolition at $750k. Staff then initiated the preparation of an EIR based upon these alternatives. Meetings were held with the tenants to identify their plans for rebuilding so that this could also be included in the EIR. However, ultimately, no plans were received from the tenants and the Port submitted the initial study for review to the City Planning Department without this information.

As the Port was entering into the heavy storm season including high winds, Engineering closely monitored the condition of the structure. Inspections were conducted. Increased levels of deterioration were found and settlement and increased cracking of all four sides of the building were noted indicating that the structure was on the move. Unfortunately, at this situation, the collapse could be sudden, rather than gradual. She pointed out that despite the securing of the building, a transient was spotted exiting the building. Upon further investigation, evidence indicated of someone living in the structure which raises a concern for life safety as well as fire hazard, as experienced at the Pier 43 Arch. The Fire Marshal was notified of the situation and he raised concerns with the ability to fight a fire in a constricted area such as Fish Alley, that given the condition of the structure, he would not be sending firefighters into the building, and the proximity of the fuel tanks across Fish Alley, and the risk to the area businesses.

Today, given the level of the deterioration and the imminent collapse, the potential for injury to life and limb, the impacts of an uncontrolled collapse to the adjacent businesses and the adjacent structures, the siting of the transient exiting the building, and the concerns as raised by the Fire Marshal, and the lack of response by the leaseholders to take action, the Port had no choice but to act under its Regulatory Authority to establish a time frame for undertaking the demolition.

In general, the following course of action will be taken:

- Remove or mitigate all hazardous materials from the building. This work is underway and expected to be complete by early next week.
- Photo Documentation: The fieldwork is complete and the report is expected to be compiled by next week.
- Solicit competitive bids for the demo: This is also underway and staff is working through DPW to get a responsive, cost effective price for the work.
- And finally, the actual demolition:

The demolition is planned as follows:

- Remove the entire superstructure.
- Remove most of the pier structure including slab, cap beams and stringers and piles. Some of which will remain as possible at the request of the leaseholder.
- Remove the upper 2' of deteriorated retaining wall and excavate the soil. The soil will be set aside and tested prior to disposal.

- Exposed face will be protected with a geotextile fabric and riprap. Fence the leasehold area to keep the public off of the premises.
- Note that there have been concerns stated that this additional rip rap would impede any follow-up on construction plans by the leaseholders. She does not feel that it would, but welcomes a discussion with the leaseholder's engineers to discuss further. There are common solutions to driving piles through riprap.
- The actual field demolition is anticipated to start by May 14th and that the major demolition would be completed in the first few weeks. Staff is sensitive to the community concerns regarding traffic, dust, noise, and vibrations. The contractor, once selected, will be submitting a workplan for approval by the Port.

No demolition will proceed until all regulatory permits are in place. Port staff has been granted the statutory exemption from City Planning, and currently working with BCDC for the appropriate permits. Concerns were expressed with the placement of the rip rap. She assured the Commission that while that is the best solution, staff can, if needed, opt to take interim measures during the demolition project to accommodate any concerns by using only geotextile, leaving a portion of the wharf, etc.

Carol Bach, Environmental Health & Safety, indicated that the environmental conditions are somewhat ancillary to the demolition project but this is an opportune time to update the Commission regarding the conditions of the area. Fuel, gasoline, diesel fuel, fuel oil, bunker oil all have been used and stored in the area since the turn of the century. There are historic aerial photographs from the 1930s showing aboveground storage tanks from the 1930 through the 50s or 60s showing aboveground storage tanks located on the lot east, west and south of the Wharf J10 building. There are also fuel lines that served those tanks and carried fuels to the fuel dock since that time. There are many decades of use of petroleum in this area and like many industrial areas, there is an ambiance of soil and groundwater contamination with petroleum. In addition to the historical contamination, in 1990 somewhere between 330 and 700 gallons of diesel fuel was discretely released during the fueling of an aboveground storage tank at the GP Resources tank yard. The diesel was released into the tank yard around the aboveground storage tank. An emergency response action cleaned a considerable amount of that petroleum but contamination has definitely impacted soil and groundwater in the area. In 1995, Exxon Mobil excavated contaminated soil from within that tank yard down to the groundwater and removed and replaced it with clean fill. Also at that time, the tanks and pipings from that tank yard were upgraded. However, petroleum contamination remains in the soil and groundwater beneath adjacent areas. All of these were done under the oversight of the Dept. of Public Health who has jurisdiction over implementing aboveground storage tank regulations in the City. Until very recently, the Exxon Mobil has been monitoring quarterly the petroleum contamination and groundwater, finding declining concentration and very little regulatory action over the clean-up. In preparation for the demolition work, the Port took some geotechnical borings and in doing so, encountered petroleum contamination on the outboard on the bayside of the seawall. Staff took borings on the bayside and encountered petroleum on those soil borings. Staff believes that the petroleum contamination that exists in the groundwater may have a pathway from migrating out to the bay and reported it to the Regional Water Quality Control Board (RWQCB) who now has the jurisdiction over the clean up of this site. Ms. Mizushima pointed out the wedge and soil that will be excavated to the maximum of two feet below grade. Groundwater in

the area has encountered anywhere between 5 feet to 8 feet below grade. The Port has authorization from the RWQCB to proceed with the demolition and is complying with all of the standard conditions that normally applies to a demolition project like this that are designed to protect water quality. In response to the Port's notification to the RWQCB that the contamination has been encountered on the bayside of the seawall, the RWQCB issued a request for technical report jointly to Exxon Mobil as the party responsible for the release in 1990 and to the Port as the property owner. Under the Clean Water Act, both are held to be the responsible parties for responding. The request for technical report requires that the Port and Exxon Mobil submit a summary of the environmental conditions and identification of entities that might be impacted by the contamination and subsequently, initiate further investigation and remedial action planning with ultimate goal of coming up with a plan for remediating this material.

Carol Anderson, Asst. Deputy Director of Real Estate, indicated that in the late 1990s, the Port reacquired the two leasehold areas on either end of J10 structures. Per the terms of the two remaining leases held by Alioto Lazio and California Shellfish Company. The leaseholder is responsible for improving the property and for all building and substructure repairs and maintenance. Long lease term of 61 years reflects and acknowledges the financial responsibility inherent with such a privilege, and the awareness of the need for a relatively long time period in which to amortize costs necessary for such improvement/maintenance/repair work. In fact, the historical record shows that the original award of these long-term leases was made with leaseholders who were fully aware of the condition of the structure at the time and accepted the responsibility for maintenance and repair as exchange. As comparison, fish processing leases executed at Piers 45 Sheds B and D are relatively short term, 10 years. The difference between these leases is that the 45B/D leaseholders do not have the financial responsibility of maintaining and repairing the super and substructure (even though these leaseholders were responsible for providing their specific tenant and capital improvements).

Per the leases, and as reinforced in the declaratory relief decision by the judge in the Port's Alioto-Lazio lawsuit, the responsibility of leaseholders to maintain and repair continues even though the building has been vacated. In fact, in the 2-½ years since J-10 was condemned in 2000, the Port has not received any proposals from the leaseholders to repair or replace the facility. However, the leases provide that if leaseholder does not act, the Port many carry out, and be reimbursed for such work. Because of the emergency nature requiring immediate action, the Port must act to protect the public safety. Last week the Port issued Emergency Orders which noticed J-10 leaseholders of their need to cooperate with the Port and take immediate action to demolish Wharf J-10, as the structure is in imminent danger of structural failure. Though leaseholders did not take action, staff continued its discussions with Alioto-Lazio's attorneys and representatives of California Shellfish as to the demolition process, their role, and with regard to mitigating the effect the demolition work will have on their businesses. Per the leases, the pro-rata allocation of demolition costs will be the responsibility of each leaseholder. Port engineering is available to both leaseholders to discuss the demolition project and process. The Port has no plans to rebuild in the area at this time. However, staff is in ongoing discussions with attorneys for Alioto-Lazio and representatives of California Shellfish as to their future plans and will work with them to re-establish their fishing industry use at Wharf J-10.

Port staff realizes that the demolition work has potential to impact not only the direct leaseholders, Alioto-Lazio and California Shellfish, but many others in the area, whether Port tenants or not. Many businesses on Jefferson Street, such as the Cannery, Franceschi's Restaurant, Cioppino's are just now beginning to recover from the fallout of the Hazlett Warehouse fire last year. We are sensitive to their concerns and will do all we can to work with all businesses in the area to make sure that the disruption from this work is minimized. The Port already notified most businesses in the area that this work will begin in early May. Staff will continue to communicate with the community, the Fisherman's Wharf Waterfront Advisory Group and Fisherman's Wharf Board of Governors representatives.

Once the demolition contractor is selected, but before the work plan is finalized, Port real estate staff, including her, Phil Williamson and Richard Rovetti, as well as the Project Manager, Tom Trimbur, from Port Engineering, will meet with Port tenants and other businesses along the 300-400 blocks of Jefferson, including the swimming and rowing clubs and Maritime Park west of Hyde Street. Meetings will be held with all who may be affected by the demolition work to discuss their concerns, operations, special needs and issues--and how these might be addressed and mitigated during the demolition process. Overall issues to be discussed and will include timing, access, traffic, noise, dust, and parking along Jefferson Street, and the Wharf J-9 and Wharf J-10 areas. Input received from these meetings will be discussed with the contractor and taken into account with regard to the work plan.

A concern that has been expressed is that this work will run into the summer high season that everyone has been waiting for. Port staff believes this will not affect summer business, as the potentially disruptive work will take approximately 6 weeks, and will be complete by mid-June.

Ms. Mizushima noted that public safety is of utmost importance and the hazard that J-10 presents, given the limited resource of time and finances, can only be abated by demolition. It is with great reluctance that Port staff takes these actions. In the mid '70's, the community, the Mayor's Office, the Port Commissioners and staff made a significant effort to revive the fishing industry in Fish Alley. At that time, it was understood that the then 55 year old facilities were in need of significant repairs. The award of the 61-year leases was a solution that would allow the Fishing Industry leaseholders to finance and make the necessary repairs and thus preserve the businesses and community.

While the Port needs to remove this unsafe situation, she was disappointed that the Port must stretch already-limited staff and financial resources to do this, especially, when the responsibility was intended by the Commission and the community to lie with the leaseholders. There are several facilities that are the Port's responsibility that need that attention, but will instead be deferred. Additionally, the businesses and the boats in the area will also suffer an inconvenience and some discomfort due to now necessary demolition. Staff will do everything it can to expedite the actual demo activity and minimize the disruption. However, the ultimate loss in this situation is the fishing industry at-large that will lose use of a facility. Port staff looks forward to working with the leaseholders on their rebuild plans.

The action that the Port takes today, on behalf of the leaseholders, will avert an uncontrolled collapse. The action will allow the Port to remove a life-threatening situation and will preserve the adjacent structures and businesses. She is aware that some people feel that the building condition does not warrant an emergency action. However, to this date, she has not received a single, qualified, professional opinion that contradicts the evidence. Given this situation, the Port must press forward.

Marc Libarle, attorney representing F. Alioto/Lazio, pointed out a correction on page 5 of the staff report which indicates that it is the desire of F.Alioto to retain pilings underneath the footprint of their lease. Ms. Mizushima made reference to the fact that is not the case. In fact, Alioto/Lazio expects to have all of the pilings removed in the general course of the demolition. Their concern, however, is that given the hyper speed with which this project is undertaken i.e. the demolition process and the fact that it is basically bypassing the public process, there are certain steps, notwithstanding this speed, that the Port can take to mitigate the expense and the cost of rebuilding. They have initial information from their environmental consultants, scientists, as well as their engineers. Their engineers state that the cost of rebuilding will be significantly increased by failing to coordinate rebuilding with demolition. New pilings should be placed at the same time as riprap. To quote their engineers, "they feel that it would be more efficient and economic if the schedule of new piling installation is coordinated with the installation of new riprap." They see here an example of what happens when the process is accelerated. It may go down according to schedule but what happens later? Their concern, as leaseholders, is that the Port be aware in its deliberative process to not incur any additional expense. In addition, their environmental scientist urged that the demolition process include a requirement to characterize, remediate and monitor any contamination beneath and the immediate vicinity of any future sites occupied by F.Alioto. In other words, their environmental scientist wants to monitor and be a part of the demolition process and be able to speak to any remediation. This goes to the future cost of rebuilding. Less there be any doubt about that, it is the clear intent of F.Alioto to rebuild within its footprint i.e. the leasehold that it has and drawings and schematics are being prepared to address that. In addition, with respect to the items he mentioned, he spoke to staff as recently as today to try to coordinate their engineers with Port engineers so that these things can be taken into consideration. Specifically, F. Alioto is asking the Port to do the following:

To allow their experts to review the bid package and make sure that any additional cost saving measures be included in the demolition process. Those cost saving measures are, for example, those items he mentioned that their engineers mentioned about coordinating replacement of the riprap with pilings. There was a comment by Ms. Mizushima that indicated that pilings can be extended through the riprap. However, their engineers suggest that may be much more expensive and not the proper way. He asked the Port, in its deliberations, to consider that their engineers be allowed to have comments on the bid package. In addition, they asked the Port to assure that the contractors coordinate and cooperate in such a way as to minimize the impact and disruption to the F.Alioto business process. That will mean scheduling the demolition process to not interfere with salmon season and the unloading of the boat adjacent to J10. He asked that some line of communication be opened so that this reasonable request can be built into the demolition process. There has been concerned by F.Alioto because of the way in which the telephone linkage is physically connected with J10 that there be an orderly transfer of the

communications lines to 440 Jefferson, the front part of the business, so as not to prevent any communication or disruption of telephones. He also asked in the course of the Port's consideration that there is a hoist that apparently the Port installed which is essential to the unloading of their fish suppliers and that the hoist has problems with the way in which it is currently set and that they be corrected. They would like to be informed as to the precise schedule of demolition. F.Alioto would be impacted more than anyone else would but it is essential that they get that information to carry on in an orderly fashion. They are very much concerned about rebuilding and when the Port is going to make an application to BCDC for that follow-through next process. It is important to know that as part of their consideration and they need to know that this is going to go forward with the rebuild and not sit for years. He asked the Commission to address their concerns in its deliberations.

Christopher Martin, The Cannery, indicated that it is difficult to argue against public safety. A public safety situation must take precedent even over the preservation of one of the most historically significant buildings left on Fisherman's Wharf but there are many things about this action that bothered him. Most significant is the future of J10 has not been determined. When the old protective breakwater at Hyde Street Pier was demolished in 1960s, it took over 20 years and Philip Burton to fund and rebuild its replacement. J10 with its water access is critical to the operations of the adjacent street side fish handling businesses. Without J10, how long can those businesses continue to thrive. It is his understanding that part of the purpose of an environmental impact report is to identify future alternatives. Cutting corners such an EIR with the fragile fishing industry may mean its demise. The demolition of J10 without an identified and timely replacement conflicts with the Port's very important policy to encourage and protect the commercial fishing industry at Fisherman's Wharf. It is important to not take the fish away from the wharf. The demolition also may bring a lot of unintended consequences. There is an environmental hazard issue due to a chemical fuel spill about a dozen years ago. Initially at the citizens advisory committee, they heard the spill to be 20,000 gallons; it now seems to be 500,000 gallons. At issue was how much and how far does the contamination permeate over that area. Ultimately that would lead to the cost of removing the contamination. The cost of this project and the cost overrun have not been determined. The demolition will also impact neighboring businesses at a time that the summer season starts as well as the commercial salmon industry. At this point, there has not been any discussions with neighbors over the demolition and how it is going to be handled. He asked that the Commission approach this issue not only with short-range concern but with a long-range vision of what the Port is trying to achieve for the public enjoyment and the livelihood of future generations. He pointed out that it is important that we don't make a decision today or in the near future that we will later regret.

Al Baccari, representing the Fisherman's Wharf Association, indicated that the Port's concern has merit but the community has deeper concern. The concern that they face is threefold: (1) Is the Port attempting to preserve the character and to keep the fish at Fisherman's Wharf as it plans to develop J10. There has been no definition or remedies presented by the Port as it plans to demolish Wharf J10. The emergency is there but not building the pier above or replacing any structure shows lack of confidence for the reality of the future. How long will it be before a boat can dock or unload in that area. If we look at it for a length of time in 10 or 15 years, then we've lost a sense of direction. There are environmental concerns such as the extent of the contamination. Their concern has always

been a plan that makes it possible. With the demolition of the Wharf J10, how will the community be accommodated with reference to traffic? The F-Line was built a year ahead of schedule without any disruption of business because it was a concerted effort with the City and the community. He received many calls today and was concerned that many of the comments he received was that no one from the Port called them. He suggested that there be a series of community meetings besides the Fisherman's Wharf Advisory Community. The Port Commission should be applauded of having great staff but communication is the key. If we were to proceed, we must do so in an orderly, intelligent manner. First by defining the plan for the area, constructing with minimal impact to the community and preserving the remaining two fishing entities, The Lazio-Alioto and the Cal Shell Fish or relocating them. Honesty forms integrity of purpose and design. The Port Commission must have the vision and the commitment entrusted to them under the Burton Act. The fishing industry is part of maritime and it generates high revenues. He asked the Commission to take into consideration each step of the way that brings harmony and above all, attempt to preserve the character of the Fisherman's Wharf, the historical aspect of the old wharf. They applaud the development at Hyde Street Pier and Pier 45 but he asked the Commission to consider the Fish Alley as well. With all these turmoil, there has been lack of communication and lawsuits were encountered. The time has come to show the character of the Port, the magnificent waterfront and to preserve in the northern tip that has given its legend and history and economic vitality to this City. The Fisherman's Wharf is the cradle for the City's tourism. He hopes that the Port will also consider not just portside but across the street from the wharf. Those properties faced the holocaust of a fire. He asked that they be considered in the Port's plan as well.

Commissioner Brandon commented that this property was the tenant's responsibility and that's why they received the long-term lease. In these difficult economic times, to find the money for the demolition is scarce. The Commission and staff have taken everything into consideration and hope to settle this soon and plan what will be rebuilt there. The Commission and staff have shown its appreciation and support for the fishing industry and will continue to do so.

Angela Cincotta, Alioto-Lazio Fish Company, rebutted Commissioner Brandon's comments that the property is the tenant's responsibility. What was stated in court trial log was if Port staff had notified the tenant of the deterioration, which the Port has known for years, they would not have gotten to this safety issue. Though this may be an isolated issue and the Port has done a lot for Pier 45 and the Hyde Street Harbor but surface painting and going underneath and seeing what the substance to what's been done are two different things. She suggested looking at the project as a whole and not just everyone pat themselves on the back because there are some that do great job. However, there needs to be more work done and more communication with the industry.

Commissioner Hardeman commented that Mr. Wiltshire's representation of Marine Terminals has been fantastic. He is the best person suited to deal with the Port. The Commission thinks highly of him and thanked him for his efforts over the years.

6. PLANNING & DEVELOPMENT

A. Informational Presentation regarding the concept design for the Brannan Street Wharf

Open Space located along the Embarcadero between Pier 30-32 and Pier 38.

Dan Hodapp, Planning & Development, indicated that the Port and BCDC have both called for the development of the Brannan Street Wharf ("the Wharf") when the two agencies reached a historic agreement in July 2000, establishing consistent policies for the San Francisco waterfront in the Port and BCDC's plans. The Wharf is identified as a major neighborhood and destination open space, in the Port's Waterfront Land Use Plan. Brannan Street Wharf will be a new open space defining the center of the South Beach neighborhood. It will replace Piers 34 and 36 and be 57,000 s.f. of new wharf over the water parallel to the Embarcadero Promenade. It is located on the Embarcadero Promenade between Pier 30/32 and Pier 38.

The first phase of the Wharf is to work with the public to develop a concept design to submit to the Port Commission and the BCDC Commission for their consideration. The Port working with BCDC, has conducted a public planning process for the Brannan Street Wharf working with a citizens advisory committee (CAC) for this project. The CAC includes representatives from the South Beach/Rincon Point Citizens Group, other residents, merchants, and a variety of interest groups representing a broad mix of local and regional view points. To date, the Port has conducted seven CAC meetings and three public workshops. In addition, the concept design was reviewed at a joint meeting of BCDC's Design Review Board and the Waterfront Design Advisory Committee.

The project will be a new wharf connected to and running parallel to the Embarcadero Promenade beginning at the south edge of Pier 30-32 and extending for about 830 feet through the area of Pier 36. It will have a wedge shape with its narrowest point adding about a 10-foot wharf to the edge of Pier 30-32 and widening to about 140 feet at the south end of Pier 36. The Wharf may reuse the piles in the area of Pier 36 and would-be new construction north of Pier 36. The major project components include a 400 foot length lawn area, a waterside walkway with seating, shade-sheltered picnic/game tables, and a small craft float. The design remembers its San Francisco waterfront history by taking on the shape of Pier 36, by leaving seven rows of the 42-inch diameter concrete piles at the outer portion of the Pier in the water, and by placing bronze strips in the paving to note the locations of former rail lines. The Wharf will also feature a series of interpretive exhibits that encourage interaction about Bay currents, tides, wildlife and fisheries, and history.

The project is tied to the hip of the cruise terminal project. In its requirements, the cruise terminal project cannot go forward without this project and this project would not go forward without the cruise terminal. The Brannan Street Wharf would be financed by a combination of proceeds from the sale of a portion of Seawall Lot 330 for residential development, and the Port's open space banking required by the Special Area Plan agreement with BCDC in 2000. Final design and construction may become the responsibility of the Bryant Street Pier cruise terminal developer.

The Port Commission should hear public comments and provide comments to Port staff. The BCDC Commission will also review the project at an informational hearing and it will then be brought back to the Port Commission for consideration of approval of the concept design.

Joe LaClair, Senior Planner with BCDC, thanked Dan Hodapp for his diligence and professional guidance of the community design process that led to the conceptual design of the Brannan Street Wharf. This is a collaborative process between the Port and BCDC staffs and it represents another of the important milestones that have been achieved towards implementing the common policies that both agencies have for the area of the waterfront between Pier 35 and China Basin. Although the public process took longer than expected, Dan Hodapp never lost patience along every step of the way and offered many opportunities for the public to critique their work. He also commended the work of the consultant team who helped them through the alternative development process that was in part funded by the California Coastal Conservancy. They did an exceptional job and provided a good foundation for the work that the staff ultimately did to produce the conceptual design. He also acknowledged Brad McCrae of BCDC staff who worked very closely with Dan in developing the final design. BCDC staff supports the concept design for the Brannan Street Wharf. It includes the program elements that the community identified during the public process and they believe that it provides a good template for subsequent design team to refine and develop in a manner that will provide an excellent open space for the South Beach neighborhood and complement the adjacent cruise terminal development project. A successful neighborhood open space in this location would also serve as a successful regional open space, which is an important consideration for their Commission. There is one element of the conceptual design which they believe deserves further analysis i.e. the proposal to retain the seven rows of piles at its current location at Pier 36. A BCDC Design Review Board member asked that the wharf design incorporate elements to recall the maritime history of the site. To achieve that end, BCDC staff agreed on two design responses: retaining the rail corridors that would be expressed into the lawn area as well as stepping out the current Pier 36 location as part of the design. However, they did not agree that retaining the seven rows of piles was necessary. Moreover, leaving these piles in place could create a navigational hazard, limit recreational boat use of the water basin and frustrates the successful creation of the Brannan Street Wharf open water basin between Piers 32 and 38. With that minor change, they can wholeheartedly support the conceptual design presented by Mr. Hodapp.

Paul Nixon, Bay Access, indicated that he has been involved with the Brannan Street Wharf process from the beginning and they are satisfied with the design. He pointed out there is a new middle harbor in Oakland which is a much closer place to land if you're in a small craft from San Francisco. Brannan Street is a natural jump off to paddle to Oakland, a little over 3 miles and if the tide is right and the wind is right, it's not a big problem. The East Shore State Park in Oakland is going to have a lot of space for watercraft, small crafts and kayaks. The outrigger canoe people in Islais Creek are in favor of the Brannan Street because it is a connection of where they are and Aquatic Park. They see Brannan Street as a very important place because it is in the middle of a lot of other things that are happening with kayaks and other human power crafts.

Commissioner McCarthy asked about the purpose of retaining the piles. Mr. Hodapp replied that it is to recall a memory of how far out the pier went and it is something that deserves further study. It has received both warm and cold reception. It is not crucial to the design but staff plans to review it further.

B. Informational Presentation by The Mills Corporation on the status of the Piers 27-31 Project and Site Plan.

Lynda Swanson, Project Manager, indicated that the Port had specific objectives in mind when it issued the RFP for a mixed-use recreation project. The Port hopes to create a unique and inviting project that would be oriented to the bay and appropriate to its setting.

An amended RFP was issued in August 2000 and proposals were received in October. An Exclusive Right to Negotiate was extended to Mills Corporation in April 2001, which was later extended to January 2004. In September 2001, a preferred alternative was presented to the Commission. The preferred alternative with some modifications was attached to the development memorandum, which was executed in March 2002. An environmental review application and a request for historic tax credits have been filed in August 2002. In November 2002, a status report was presented to the Commission. In September 2002, the developer began a significant community outreach program. Throughout the entire period, negotiations continued and arrived at a conceptual agreement on the development agreement, which is a portion of the LDDA (Lease Disposition and Development Agreement). All of the performance benchmarks set out in the most recent ERN extension have been met on a timely basis including a site plan for the YMCA facility, the YMCA guarantee agreement in draft form, and a fundraising report from the YMCA and the integrated recreation plan. The developer will present the revised preferred alternative.

In the next six months, Port staff and the developer hope to complete the EIR, obtain the necessary reviews and approval by the National Park Service and the State Historic Preservation Office (SHPO) and obtain permits and approvals from BCDC and State Lands. Staff hopes to complete negotiations on the lease, continue the community outreach program involving the Northeast Waterfront Advisory Group, San Francisco Heritage, and individual neighborhood groups throughout the City. Staff will update the Commission in September 2003.

Steve Jacobsen, Executive Vice President of Mills Corporation, thanked the Executive Director and Port staff for all their efforts on this project. He reinforced Mills' commitment to this project. Mills is in a strong financial position as they have ever been. Mills has opened over 3 million s.f. of retail mixed-use projects. They were awarded the Meadowlands project in New Jersey as master developer. They were awarded master developer for Block 37, Downtown Chicago. Last year, they opened Colorado Mills outside of Denver. This year, they will open three projects: their first international project in Madrid, St. Louis Mills and Cincinnati Mills. They have a strong financial base. They purchased six regional malls. It will allow them a launching pad to diversify their Mills mix and gain leverage over other retails. They feel they have rounded out their retail and mixed-use and expanded their experiences into other avenues. Mills has now three legs to the stool: (1) Mills projects, (2) International projects, (3) Mixed Use and Urban projects like the piers and others.

Mr. Jacobsen indicated that since September, they've worked diligently with the stakeholder's input. They went out into the community and listened to their concerns and implemented those concerns and issues into the project: (1) integrating the recreation aspect and improve the flow of activity. They understood what some of the concerns were

and how people perceived the piers as individual components. They have gone a long way in integrating the recreation aspect. It appears not only visually as a whole but also operationally. (2) SHPO and National Park Service (NPS) had concerns over historic preservation in general and how people can experience this two level space when there is parking in the lower level at Pier 31. Through exhaustive studies and analysis, they moved the parking from Pier 31 up to the bulkhead. The amount of two-story space in Pier 31 increased over 300%. In listening to SHPO and NPS, they created a more dynamic and credible space for people to experience this structure from both levels. (3) Increased outdoor recreation by almost 15%. This needs to go through design review process but there are great opportunities in the northeast wharf plaza area to engage and open up and bring people closer to the bay. They will work diligently with BCDC and others to create a dynamic space. To recap the highlight of the project socially and economically, this will truly present a gathering place. They looked at the Piers 27-31 as almost creating another town square for San Francisco, a place for San Franciscans to go whether for relaxing or getting engaged in different activities. It will create another sense of community. It is a place for recreation for everybody in San Francisco regardless of walk of life or economic background. This project will provide the economic engine to historically renovate Piers 27-31. They estimated 1600 trade union jobs will be created during construction. They worked very closely with Local 2, in which they negotiated the lowest card check criteria in the City. They estimated about 1600 full and part time jobs in the project, not to mention the sales tax, income tax and real estate revenues this project will generate. The biggest impact would be Mills and YMCA's investment of nearly $200 million on the piers. He thanked the cooperation of Port staff and the Commission and look forward to working through the various aspects of the projects. By early next year, they hope to be in a position to have all their approvals in place and construction to commence.

David D'Onafrio indicated that the overall site plan covers 1.1 million s.f.- 373,000 of which is open space or public access. Significantly 35%, 270,000+ s.f., are public space not including the 2.5 acres northeast wharf plaza. 35% of the overall project is open space or public access. 301,000 s.f. of indoor/outdoor recreation; which does not include the 168,000 s.f. of the marine sports basin and the new area that is connected to the northeast wharf plaza, which a potential spot for special events and limited recreation use. There is 111,000 s.f. of recreation retail related to the recreational activities that are part of the project, YMCA and the Marines Sports Basin and the non-YMCA recreation. 34,000 s.f. of restaurants and cafes that will service those people working out or enjoying the waterfront. 219,000 s.f. of office predominantly on the mezzanine level; some of which will be moved to the first level of Pier 31. They have increased recreation, not withstanding the new space and the 168,000 s.f. of the marine sports basin. They've increased recreation 31% from their original proposal of 229,000 s.f. to 301,000 s.f. They have decreased office space 19% from 272,000 s.f. to 219,000 s.f. They have reduced recreational retail 19%, from 137,000 s.f. to 111,000 s.f. and reduced restaurants and cafes 38% from 55,000 s.f. to 34,000. s.f. These changed were made in response to input from the Port, the public and the overall look at the project and how it integrates with the recreation and the mixed of uses and to better serve the people of San Francisco and the region by creating a good mixed of uses with a reasonable bit of each of the components.

Martie Bolsinger, SF YMCA President & CEO, indicated that this has been a real partnership between Port staff, who have given them all kinds of input and ideas and

asked a lot of important questions and the community. They had ten or eleven community meetings in every supervisorial district. The local YMCA in that community hosted the meetings. People expressed their concerns or asked questions about their local YMCA because of this new project or what this is going to bring to them because they are participating in the local YMCA. It has been very helpful to hear what people are thinking so they can make some adjustments and refinements to make the project better and they have received wonderful suggestions. When they will meet with the skateboarders, she asked Ernestine Weiss to attend the meeting so they can work on a plan that will work for all. Programmatically, YMCA remains the same. They addressed the community's concern regarding gaps in recreation, which they have not changed much. They did, however, made a little adjustment when they received a lot of input about seniors and their planned activities. A lot of the YMCAs have senior centers where the seniors can design their own program on a day-to-day basis. They dedicated a space for seniors and made design changes in the already existing program areas, which Bill Fain will address during his presentation. They changed the entrance into the YMCA to make it a lot more welcoming to the whole project.

Dawn Riley, America True CEO, indicated that the marine activities have stayed the same. They will still have the sailing, the kayaking, the dragon boating, rentals and lessons. They will still have the facilities for the 20-40 foot boats, mostly sailboats, which are conducive to the San Francisco bay. They will have the entertainment area and the launching ramps called the floating beach. At the community meetings, they were surprised of the variety of activities that each neighborhood wants in the marine environment. The good news was that they had already planned for most of those activities. There was, however, a strong desire to have environmental education and environmental programming. While they are already included into the sailing and kayaking programs, they made an effort to make sure that will be a larger part of it and have informational material and reached out to other groups. At Lake Merced last summer, they had a program that was not quite subscribed as the first year. It is up and running this year. They are working with San Francisco State University and it is now over subscribed. They have a lot of YMCA kids and other groups. They are working with community groups and the Bayview Hunter's Point to get some community access to the water with the hopes of having it running on a very small basis by next summer. They are working with the State of California and the local community groups.

William Fain, Partner in Charge of Johnson Fain Partners, indicated that over the last several months, they refined the concept of the project and adjusted it to the comments made by the community and various interest groups. One of the things that emerged is the project needs to be and continues to be uniquely San Francisco. Part of this is the YMCA and the reaches it has in the community. Through those reaches, it creates access to the project. Land uses makes a lot of sense at the water's edge relative to the entire City and the uniqueness of San Francisco. As architects and planners, they have looked at the site, particularly its history. The preservation of the pier also reflects the historic nature of the project, working with SHPO and State Lands. Another aspect about the site is the uniqueness in terms of making or creating access and views to the water. It's not just views of the water but views of the project and the surrounding area particularly from the Coit Tower and Telegraph Hill area. Building on the Embarcadero is very important, relating very strongly to the northeast wharf plaza. The architectural character, they have

new additions to the project and they tried to be sympathetic to the historic nature of the piers and the waterfront and the configuration of the additions and materials. They have been encouraged to make a contemporary expression. The architecture of the YMCA is contemporary but sympathetic to the historic qualities of the water's edge. Central to their concept is dealing with the existing 1960s Pier 27. It's a very large pier and it obliterated the two historic piers, Piers 25 and 27. Their concept has always been to make the Embarcadero more visually accessible to the water. The view corridors are particularly important and the location of the new view corridors reinstated. As Pier 31 is surrounded with water, it has a different kind of message to the land planners/architects i.e. it does not have the direct pedestrian access that the other piers have. The ground plane becomes important in terms of its circulation and the permeability of that plane. They have to create a destination in terms of use. Previously, they talked about parking with office above. They felt that did not work because of SHPO and other architectural considerations. So instead, they made that it similar to Pier 1. They have now reinstated it as an office development. It's hard to relate activities from the recreational point of view but it seems to be an appropriate use. The landmass for Pier 29 and 27 is larger. One of the organizing principles is the Embarcadero. They elected to bring a strong pedestrian link through the project to connect the Embarcadero. It will bring people through the project. They organized the finger pier, the bulkhead and a new YMCA and the water and land valleys were organized. It is tied to the northeast wharf plaza and ultimately the transit links. It becomes an armature between places and it creates a strong, memorable walk through the project.

With regard to uses, there is an office in Pier 31, a boating center near the marine activity, and a small museum. There is a maritime retail which relates to the activities of the marine basin. There are two other recreational retail pieces which relates to all the activities in the project. Towards the end of the pier, there is an indoor recreational facility and a designation restaurant. Pier 27 or the new YMCA has its lobby access to the promenade. As you approach the project along the Embarcadero, there is a climbing wall at the very corner. They have a swimming pavilion which is an aquatic center. The gymnasium opens out into the land valley. There is a teen club, a child center and at the far end, the BMX and skateboard which in the evenings would be enclosed within the project. During daytimes, it would spill out into the outdoors recreation. There are a number of ball courts along the valley such as basketball and volleyball. The Belt Line Building is located near the northeast wharf plaza. There is a multi-purpose recreational field close to the YMCA, as a result of discussions with various groups. There is a semi-public area, a series of niches for lawn bowling or shuffleboard and a number of seating areas. There is an area that is semi-private which during good weather, one can open up the glass between the Aquatic Center and it becomes an outdoor area. Along the edge of the wharf, there are a number of stations, 12 to be exact. The performance area is in the water basin, the skating, the running, the BMX, skateboarding, baseball both for handicap and others, the gymnasium and the aquatic center and the bocce ball or bowling. The Marine Recreational Area has similar activities. Access from the water is very important as well as hook-up areas and docking areas are important. Classes for children, kayaking, canoeing are all within the basin. There are 11 stations in the History Walk. It begins at the Belt Line Building where there is an orientation and talks about the historic pier layout of Piers 25/27/29/31. It moves to the open space looking out at the views of the bay, moving to the swim pavilion which is reminiscent of the Sutro Baths onto the old pier edge of Pier 29 to

the Belt Line Rail. The rail will be in the walkway, along the façade of the piers and to the bulkhead itself, towards the bay to the museum. Continuing on, at the very end of the piers, a welcome home sign will be restored. Back to the bulkhead where the exposed structures can be seen of the working pier and finally to the end of Pier 29.

Access and parking. They removed the parking spaces between 29 and the new YMCA to increase the recreational valley and add more court activities. There are six handicapped spaces at the entrance of the YMCA. The primary entrance would be from Pier 31. They have elected to put a second floor parking because Pier 31 now becomes an active building, not just a car reservoir. The second level in the bulkhead building is very hard to lease. It made sense to have a rampway to the top for tandem parking. On the second level of Pier 31, it allows them to open up the opening so you can see the structure from the first floor. It makes it eligible for historic preservation. Very large spaces now open up in Piers 29, very similar to Pier 1. On the second level of the YMCA, there is cardiovascular equipment along the eastern edge which offers a magnificent view of the playing field and the bay.

With regard to Pier 27, they tried to build on the idea of the finger pier and the bulkhead. You can see from the Embarcadero, the climbing wall which gives you a clue that this is a recreational project, the finger pier or the pier shed, which is in the character with the other shed buildings, the swimming pavilion reminiscent of the Sutro Baths. They are excited about the project and it's come a long way in its subtlety and configuration.

Mr. Jacobsen looked forward to continue the community meetings and continue to get the stakeholders input and in the not too distant future, hopes to see this project become a reality.

Commissioner McCarthy asked about the location of the recreation retail and who is responsible for managing it. Mr. Jacobsen replied that they will lease, manage, and secure it. They have drastically reduced the recreational retail. They are at a point now where a lot of the major issues have settled down. They look forward to an early 2005 opening. Now is the time to negotiate those leases, they will be proactive in negotiating the leasing. The management company will be the Mills Corporation.

Commissioner McCarthy asked if the YMCA is going to manage the outdoor spaces. Mr. Jacobsen replied that they have to work through the actual logistics and mechanics but they will look to the YMCA to actually program everything within the context of the YMCA. What they have originally worked out with the YMCA is that the Mills will maintain and manage those outdoor spaces but the YMCA will program them. They have not worked out the amount of active program or the impromptu program. The same thing goes with the aquatics. They are working with Dawn Riley on this matter. There will be structured classes for sailing. It is important to have it managed so people know that there is organized sports and recreation but at the same time, make it available to whoever wants to show up.

Commissioner McCarthy asked about the cost of the tandem parking. Mr. Jacobsen replied that it will be valet parking and it's ancillary to the project. One of the concerns is off-street parking. They are actively working with operators in the area. They are going to

have the agreements tied up fairly soon. Mr. D'Onafrio added that the parking on the premises will be short term to encourage the use of public transportation.

Nan Roth, Telegraph Hill Dwellers, would like to get some kind of graphics to take back to her neighborhood association so they can see the layout of the project. What Dawn Riley and America True are doing is wonderful; it is the highlight of the project. Nonetheless, they still remain concerned about some aspects of the project, primarily, the recreational aspect of it and the scope and quality of that component which is still only 27% of the project. They all started out envisioning something with far more recreation. People's hopes were raised a great deal in the course of the hearings and the community meetings prior to the Port Commission making their selection. The recreation component takes a very small part of it despite the Commission's call for a significant increase in recreational facilities, particularly in regard to varied age groups and cultural interests. Some of the Commissioners were persuaded to support this project by the inclusion of the YMCA facility. The actual size and scope of that facility has been significantly reduced by 25,000 s.f. Many looked upon the development of this pier for recreational use as a prime opportunity to provide the community with a world-class aquatic center. Even though they call it an aquatic center, it only has a big play pool and a lap pool. San Francisco lacks, at the present time, anything close to a facility for training and competition. Young people who are interested in pool sports must have the resources to learn, train and complete outside the City. The YMCA does not respond to this opportunity. Their response consist of a play pool and a six lane lap pool and the overall structure has been reduced in size. It appears to be just another YMCA. There's nothing about it that distinguishes it from the other YMCA's except for the skate park which caters to a youthful group of people. It's not a very visitor friendly facility. This location is particularly well suited to water sports and they would like to see it emphasized. While parking may be permitted as an accessory use, it is her understanding that it is not permitted within the historic bulkhead buildings. The Waterfront Land Use Plan states that "...general office is listed as an acceptable public trust use on a pier. The trust requires that the office be located within a historic bulkhead building or restricted to minor amounts within a larger development project of trust uses." It deeply troubles her and the organization she represents that the Port has not more effectively exercised its rights and obligations under the terms of the RFP and the Commission's conditions to bring this project more to conform with the original mission and objectives stated in the RFP. This is the only waterfront site being offered by the Port for recreational uses in a City terribly deficient in such resources. She asked the Commission, Port staff and developer to do a better job of meeting the stated goals.

Jennifer Clary, SF Tomorrow, indicated that a lot of her questions will be answered in the EIR process. She wondered why open space and circulation is put together. She knows why it is here because it makes the numbers come out right. Half of the entire space is 563,000 s.f. and the combination of open space and recreation is 564,000 s.f. which means that the developer conformed to their request that the majority of the area be open space than recreation. She never understood why a hallway is considered open space. There is a lot of hallways and open spaces. She does not understand how tandem parking really works for short-term use. When she sees tandem parking and valet parking, she thinks of office buildings, restaurants and she does not think about retail and a drop-off. She noticed that by having tandem and valet parking, they have been able to increase the number of

parking spaces by 10% which is great for some people. The promenade is getting popular and a lot of cars will be crossing Herb Caen Way to drop off kids at the Y, or going into the valet parking. She is worried that we are going to lose some of what we have on Herb Caen Way by having that kind of cross traffic. She trusts that will be addressed in the EIR. The developer might consider having a cut-away in front of the pier, in front of the Y and have the kids dropped off there because if you're not going to park in the valley, there's no reason for cars to be crossing there. She looks forward to seeing the EIR.

Ernestine Weiss indicated that her major concern is traffic. She has not heard anything about a traffic study. This is very important because of all the development going on the Embarcadero on the various piers. The traffic on the Bay Bridge is impossible. She spoke to a lot of people in the City who wants Olympic size swimming pool. The City does not have one. She asked that should be considered in the plan. The drawings have improved and the decrease in the office space and retail space is wonderful.

Stewart Morton, Russian Hill Improvement Association, gave kudos on the fact there is no more parking on Pier 31. His real concern is how the end of Pier 29 will be integrated with the new building. It should be done properly. Replication of the Sutro Baths would be incredibly important and acceptable in the pool area. The preservation community will accept the Sutro Baths look-alike. He hopes that when the developer designs the building they will convince him how wonderfully it will fit in with the context of the Embarcadero and the waterfront. He has not been impressed so far. They are going to tear down a wonderful, exposed aggregate, Pier 27. Will it be replaced with anything better?

Toby Levine indicated that the NWAG members who spoke had very good, intelligent recommendations and suggestions. This project has come a long way. She hopes that the recreation building will become a beautiful building and it will be open for people to see what's going on inside. They will be so attracted to what's happening inside the recreation building. The committee members' comments will be helpful to the developer.

Lynda Swanson read the letter from Charles Chase, Executive Director of the San Francisco Architectural Heritage, to Jared Eigerman, Attorney for Reuben & Alter regarding the Piers 27-31 Mixed Use Recreational Project.

C. Request for approval of Amendments to the Lease Disposition and Development Agreement, Lease, Hornblower Term Sheet, and other documents with San Francisco Waterfront Partners, LLC for the Historic Rehabilitation Project at Piers 1-½, 3 & 5 located between Washington Street and Broadway. (Resolution No. 03-32)

Jennifer Sobol, Planning & Development, presented the item and requested Commission's approval.

Joe Wyman, Hornblower Yachts, thanked staff for their due diligence in helping them resolve the matters that were placed on the table. He pointed out that a parking agreement is attached to the staff report. For the first time in that document, there is an enumeration of parking alternatives in this particular area and he is just now beginning to see the evolution of this area and how tight parking will become. He urged the Commission to set a flame under Port staff to look at that issue and get out in front of it and pro-actively

resolve the matter.

Ernestine Weiss was happy to hear that everything's working out with Hornblower. She urged the Commission to approve the amendments.

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor. Resolution No. 03-32 was adopted.

7. NEW BUSINESS/PUBLIC COMMENT

Ernestine Weiss alerted the Commission that on April 2nd, Northern Waterfront Advisory Group (NWAG) had a meeting and sprung the idea of having the Arts Commission place a sculpture called Yin &Yang at their park. She and the community do not want any art placed in the park even if it is temporary. She requested a jurisdictional transfer of the property to Rec & Park and have them deal with it.

Nan Roth, member of Telegraph Hill Dwellers and member of NWAG, spoke in support of the sculpture. The sculpture is flat in the ground and fits within an already paved-over space. They suggested that they put cobblestones to keep skateboarders from utilizing the area. It's a lovely statue and some people in the neighborhood feels the same way.

Ernestine Weiss indicated that it would be an open invitation for graffiti and for the skateboarders to jump on.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

At 6:50 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion and Action Items)

a. Discuss existing litigation matter pursuant to Sections (a) and (d) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case). (Discussion Item & Action Item).

- Renaissance Parents for Success v City & County of San Francisco. San Francisco Superior Court, Case No. CGC02-415559

b. Discuss significant exposure to litigation pursuant to subdivision (b) of

California Government Code Section 54956.9 (1 case as defendant).

- Miller/Thompson or Crowley Marine Services
  As Defendant: On March 18, 2003, the Port received correspondence from legal counsel for Miller/Thompson Constructors, a subtenant at Pier 54, alleging obstruction of access to the premises, and conduct on the part of the Port, amounting to a constructive eviction. The subtenant has announced its intention to vacate the premises unless the Port grants a substantial rent reduction. The subtenant's allegations present significant exposure of potential litigation.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 27-31
Person Negotiating: Port: Byron Rhett, Planning & Development Director
*The Mills Corporation: Steven J. Jacobsen

b. Property: Pier 92
Person Negotiating: Port: Peter Dailey, Director of Maritime
*RMC: Joe Sostaric

c. Property: Piers 19/23
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Big C Traders: Raymond Lynch

d. Property: Pier 3
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Hornblower Yachts: Terry MacRae

e. Property: Pier 29-½
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Fascination Consumer Enterprises: Sam Conti

f. Property: Seawall Lot 354
Person Negotiating: Port: Ken Winters, Director of Real Estate
*Muni: Kerstin Magary

9. RECONVENE IN OPEN SESSION

At 8:04 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner McWilliams moved approval to adjourn the executive session and reconvene in open session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner McWilliams moved approval to not disclose any information discussed in executive session; Commissioner Brandon seconded the motion. All of the Commissioners were in favor.

10. ADJOURNMENT

ACTION: Commissioner Brandon moved approval to adjourn the meeting; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 8:05 p.m.

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PLEASE NOTE THE TIME OF THE MEETING

SPECIAL MEETING
3:00 P.M., TUESDAY, MAY 13, 2003
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - April 22, 2003 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
   - Architectural Foundation of San Francisco/Build San Francisco
   - Resolution of Commendation for former Commissioner Pius Lee

4. **CONSENT**

   A. Request for approval of First Amendment to Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) for Right to Extend Ductbanks to the Public Right-of-Way known as Cargo Way. (Resolution No. 03-33)

5. **REAL ESTATE**

   A. Request for approval of a lease with Fascination Consumer Enterprises for space at Pier 29-½ for use as general office, general storage and rental of electric vehicles to the general public. (Resolution No. 03-34)

6. **ADMINISTRATIVE SERVICES**

   A. Request for authorization to award a Professional Services Contract to Bay Area Economics for the preparation of the Port of San Francisco's Nexus Study. (Resolution No. 03-35)

7. PLANNING & DEVELOPMENT

A. Request for approval of the Art Commission proposal to locate the sculpture by Robert Arneson titled "Yin and Yang," on the west side of the Embarcadero Roadway, south of Washington street, at the southwest corner of Lot 202. (Resolution No. 03-36)

8. MARITIME

A. Request for adoption of CEQA findings, mitigation measures and lease for RMC Pacific Materials concrete batch facility at Pier 92 (Resolution No. 03-37)

NOTE: The environmental effects of the RMC Pacific Materials lease were addressed in the Southern Waterfront Supplemental Program Environmental Impact Report, certified on February 15, 2001, State Clearinghouse No. 94123007, and Waterfront Land Use Plan Program Final EIR, certified on January 9, 1997.

9. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

10. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case):

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., S. F. Superior Court Case No. 318360, filed January 25, 2001.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant and As Plaintiff)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Sinbad's Restaurant
Person Negotiating: Port: Ken Winters, Real Estate Director
*Sinbad's Restaurant: Duane & Tom Stinson

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 2.

b. Property: 160 Jefferson Street
Person Negotiating: Port: Ken Winters, Real Estate Director
*Boudin Properties, Inc.: Louis Giraudo

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at 160 Jefferson Street.

c. Property: 400 block of Jefferson Street
Person Negotiating: Port: Ken Winters, Real Estate Director
*G.P. Resources: Andrew Zar

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at the 400 block of Jefferson Street.

11. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

12. ADJOURNMENT

MAY/JUNE 2003
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
May 13 ***Special Meeting***	***3:00 p.m.***	Port Commission	Bayside Conference Room @ Pier 1
May 27	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
June 10	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
June 24	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Environmental Quality Advisory Committee (EQAC) meets regularly on the fourth Thursday of the month at 9:00 a.m. at Scoma's Restaurant, Pier 47 @ Fisherman's Wharf. Contact Jay Ach @ 274-0562.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets on a bi-monthly basis, on the third Thursday of the month, from 11:30 a.m. to 1:30 p.m. @ Pier 1. ***The May meeting of the MCAC has been changed to June 19.*** Contact Jill Rodby @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:30 to 7:30 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 1st Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david_beaupre@sfport.com.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Nita Mizushima, Chief Harbor Engineer, at 274-0559. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

May 7, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of First Amendment to Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) for Right to Extend Ductbanks to the Public Right–of–Way known as Cargo Way

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BACKGROUND

MUNI is presently undertaking planning and development of the Third Street Light Rail System, which will extend light rail service along the Third Street Corridor across the Peter R. Maloney (Fourth Street) Bridge to Bay View/Hunters Point. The Third Street Light Rail will significantly benefit the Port by providing improved public transportation and access to Port property located in the Southern Waterfront area, including the Mission Bay open space located within Port jurisdiction, the Port's opportunity area at Pier 70, the Port's marine terminals at Pier 80 and 94-96, and Port open space at Islais Creek and Heron's Head Park.

An essential component of the Third Street Light Rail System is the MUNI Ductbank crossing at Islais Creek which will serve the light rail cars along the Third Street Light Rail Line.

On May 16, 2001, The Port Commission approved MOU No. M-13206 authorizing MUNI to construct power and communications ductbanks under Islais Creek east of the Islais Creek Bridge. Under the MOU the Port reserves the right to receive revenue from any commercial uses which may utilize the ductbanks. The ductbanks under Islais Creek have been completed. MUNI is now

THIS PRINT COVERS CALENDAR ITEM NO. **4A**

requesting an Amendment to the MOU which would allow for the final connection of the ductbanks to existing electrical conduits located within the public Right-of-Way. MUNI would not be required to pay for the right of way in recognition of the significant trust benefits created by the ductbank functions.

The Port Commission is being asked to authorize the Executive Director to execute the attached First Amendment to Memorandum of Understanding, attached hereto, between the Port and MUNI for the right to extend the ductbanks to the public Right-of-Way known as Cargo Way.

Prepared by: Mark W. Lozovoy, Deputy Director, Real Estate

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-33

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, MUNI is presently undertaking planning and development of the Third Street Light Rail System, which will extend light rail service along the Third Street Corridor across the Peter R. Maloney (Fourth Street) Bridge to Bay View/Hunters Point. The Third Street Light Rail will significantly benefit the Port by providing improved public transportation and access to Port property located in the Southern Waterfront area, including the Mission Bay open space located within Port jurisdiction, the Port's opportunity area at Pier 70, the Port's marine terminals at Pier 80 and 94-96, and Port open space at Islais Creek and Heron's Head Park; and

WHEREAS, MUNI requires authorization from the Port to obtain rights-of-way in the northern part of the Third Street corridor alignment to construct ductbanks for electrical power and communications for the Third Street Light Rail Project; and

WHEREAS, on May 22, 2001, the Port Commission approved Memorandum of Understanding No. M-13206 (Port Resolution No. 01-42) authorizing MUNI to construct ductbanks under Islais Creek at a location east of the Islais Creek Bridge; and

WHEREAS, in Resolution 01-15, dated February 27, 2001, pursuant to the California Environmental Quality Act ("CEQA"), this Commission reviewed and considered the Final Environmental Impact Statement/Environmental Impart Report ("FEIS/EIR"), and in exercising its independent judgment, found the FEIS/EIR's analysis and conclusions regarding transportation and environmental effects, alternatives and cumulative conditions, to be objective, complete and in compliance with CEQA and the CEQA Guidelines. The FEIS/EIR and this Commission's findings are on file with the Commission Secretary; and

WHEREAS, subsequent to adoption of the CEQA findings, the ductbank construction approach was changed from trenching along the creek bottom to directional boring under Islais Creek; and

WHEREAS, directional boring reduces environmental impacts by avoiding construction in the creek bottom; and

WHEREAS, the new construction approach is documented in an Addendum to the FEIS/EIR on the file with the Port Commission Secretary; and

WHEREAS, the Port Commission is being asked to authorize the Executive Director to execute the attached First Amendment to Memorandum of Understanding between the Port and MUNI for the right to extend ductbanks to the public right-of-way known as Cargo Way; now, therefore, be it

RESOLVED, that this Commission hereby incorporates herein by reference thereto the CEQA findings made by the Port in its Resolution No. 01-15 on file with the Port Commission Secretary and hereby finds, on the basis of substantial evidence, an in light of the whole record, including the Addendum to the FEIS/EIR, that (1) modifications incorporated into the project will not require important revisions to the FEIS/EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; (2) no substantial changes have occurred with respect to the circumstances under which the project will be undertaken which would require major revisions to the FEIS/EIR due to the involvement of new environmental effects, or a substantial increase in the severity of effects identified in the FEIS/EIR; and (3) no new information of substantial importance to the project has become available which would indicate (a) the project has significant effects not discussed in the FEIS/EIR, (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FEIS/EIR would substantially reduce one or more significant effects on the environment; and be it further

RESOLVED, that the San Francisco Port Commission hereby approves the First Amendment To Memorandum of Understanding upon the terms and conditions set forth in the Memorandum of Agenda Item 4A for the May 13, 2003 Port Commission meeting, and authorizes the Executive Director to execute the First Amendment To Memorandum of Understanding in such final form as is approved by the City Attorney; and, be it further

RESOLVED, that the Port Commission authorizes the Executive Director, in consultation with the City Attorney, to take all such further action, including executing further documents or assurances necessary to implement the intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 13, 2003.

_____
Secretary

FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS FIRST AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING ("First Amendment") dated for reference purposes only as of _____, 2003, is entered into by and between the San Francisco Municipal Transportation Agency, an agency of the City and County of San Francisco (the "Muni"), and the San Francisco Port Commission, an agency of the City and County of San Francisco (the "Port").

RECITALS

A. The Parties hereto entered into Memorandum of Understanding No. _____ ("MOU") dated June 8, 2001, which sets forth the conditions under which Muni may use and occupy the area encompassing Islais Creek (the "Property").

B. Under the Burton Act (Stats. 1968 Ch. 1333), the State of California transferred to the City and County of San Francisco (the "City"), to be held by the Port, certain property, including the Property. As part of the Third Street Light Rail Project, Muni is placing ductbanks underneath the bed of Islais Creek to support the new light rail line. The MOU provides for a Term of sixty-six (66) years from the Effective Date, which was June 8, 2001.

D. The Parties now desire to amend Exhibit B to the MOU to extend the ductbanks under additional property which is held by the Port to the public right-of-way known as Cargo Way.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.

2. **Exhibit B.** Exhibit B of the MOU is hereby amended to add the map attached hereto as a fourth page.

3. **Effect.** The MOU shall remain in full force and effect in all respects except as hereby amended.

AGREED TO AS WRITTEN ABOVE:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation operating by and through THE SAN FRANCISCO PORT COMMISSION

By:_____
DOUGLAS F. WONG
Executive Director

AGREED TO AS WRITTEN ABOVE:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation operating by and through THE MUNICIPAL TRANSPORTATION AGENCY

By:_____
MICHAEL T. BURNS
Director of Transportation

Date: _____
Resolution No.: _____

Date: 3/27/03
Resolution No.: _____

THIRD STREET
CARGO WAY
AMADOR ST.
CONC WALK
EXISTING RAILWAY TRACKS
PDB
DB
OPT
PORT
MUNI
F:\M305\Mou\M3056025.dwg

PORT OF SAN FRANCISCO

MEMORANDUM

May 6, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of a lease with Fascination Consumer Enterprises for space at Pier 29 1/2 for use as general office, general storage and rental of electric vehicles to the general public.

DIRECTOR'S RECOMMENDATION: APPROVE LEASE WITH FASCINATION CONSUMER ENTERPRISES, INC.

BACKGROUND

Under lease number L-12284, Fascination Consumer Enterprises, Inc. ("FCE") currently leases Port property at Pier 29 1/2 (the "Premises") for office and storage use. FCE has submitted a business plan that describes the operation of an electric car rental operation at the Premises. Because lease number L-12284 does not permit this use, Port staff determined a new lease was required.

The use of Port property for retail purposes normally requires that a public "Request for Proposals" be advertised to the business community. In the case of FCE, the Premises are part of a forthcoming development for the entire Pier 27, 29, and 31 complex. As such, any leasing of these piers has been limited and terms may not exceed six months. Staff therefore proposes foregoing the normal RFP process for FCE on the basis it is infeasible and impractical due to the limited lease term available.

PROPOSED LEASE

The following is an outline of basic terms and conditions to be included in the proposed lease with FCE for premises located at Pier 29 1/2.

THIS PRINT COVERS CALENDAR ITEM NO. 5A

1. **Premises:** Approximately 13,657 sq. ft. of shed space, 4,450 sq. ft. of office space and 1,484 sq. ft. of office storage space located at Pier 29 1/2.

2. **Use:** As to the office space, general administrative offices; as to the office storage space, general administrative storage; as to the shed space, general warehouse storage, parking, display, and rental of electric vehicles and for no other purpose.

3. **Term:** Six (6) months.

4. **Rent**: $12,600 per month.

5. **Improvements:** The Premises will be accepted by the Tenant in its "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port. Tenant shall be responsible for any required infrastructure modifications or improvements.

6. **Utilities:** Tenant agrees to pay all costs for electrical, gas, water, sewer and garbage/refuse services.

RECOMMENDATION:

Port staff recommends approval of the proposed lease with FCE.

Prepared by: Phil Williamson, Senior Property Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-34

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, Fascination Consumer Enterprises, Inc. ("FCE") currently leases space at Pier 29 1/2 per the terms of Lease No. L-12884; and

WHEREAS, FCE has submitted a business plan for an electric car rental operation at Pier 29 1/2; and

WHEREAS, FCE's current lease does not permit retail uses, and

WHEREAS, The use of Port property for retail purposes normally requires a public "Request for Proposals" be advertised to the business community; and

WHEREAS, In the case of FCE, the premises are part of a forthcoming development for the entire Pier 27, 29, and 31 complex and any leasing of these piers is limited to terms of 6 months or less; and

WHEREAS, Staff proposes foregoing the normal RFP process for FCE on the basis it is infeasible and impractical due to the limited lease term available; and NOW THEREFORE, BE IT

RESOLVED, that the San Francisco Port Commission hereby approves a six month lease between the Port and FCE for general administrative office, general administrative storage, general warehouse storage, parking, display and rental of electric vehicles at Pier 29 1/2, consistent with the terms set forth in that certain Lease No. L-13426 dated as of February 12, 2003, a copy of which is on file with the Port Commission Secretary for this calendar item in a form approved by the City Attorney's Office; and be it further

RESOLVED, that the San Francisco Port Commission hereby approves the Executive Director or his designee to enter into that certain Lease No. L-13426, all consistent with the business terms set forth in the memorandum to the San Francisco Port Commission for Agenda item 5A for the Port Commission meeting of May 13, 2003.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 13, 2003.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

May 7, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas Wong
Executive Director

SUBJECT Authorization to award a professional services contract to Bay Area Economics for the preparation of the Port of San Francisco Nexus Study.

DIRECTOR'S RECOMMENDATION: AUTHORIZATION TO AWARD A CONTRACT TO BAY AREA ECONOMICS FOR THE PRODUCTION OF A NEXUS STUDY, AND FOR STAFF TO EXECUTE A CONTRACT FOR SUCH SERVICES FOR THE NOT-TO-EXCEED FEE OF $200,000.

Port staff seek the Commission's authorization to award a professional services contract for the preparation of a Nexus Study by Bay Area Economics, the firm selected by the selection committee as the most qualified consultant that responded to the Port's RFP. Port staff has also determined that Bay Area Economics fully complies with all City contract requirements.

Background: The Port Commission previously authorized Port staff to issue a Request for Proposal ("RFP") for the preparation of a Nexus Study.

The Port staff formed an interdepartmental working group made up of representatives from Port staff, the City Attorney's Office, Controller's Office and the Mayor's Office to develop and issue the RFP. Members of this team served as members of the selection panel that reviewed and evaluated all proposals and selected three firms to proceed in the evaluation process. Bay Area Economics received the highest score following completion of the evaluations.

This Print Covers Calendar Item No. **6A**

On February 10, 2003, the Port issued the RFP the preparation of a Nexus Study. On March 10, 2003, the Port received four proposals. One of the proposals was determined to be non-responsive and dropped from further consideration. The remaining three proposal were submitted to the selection committee. On April 10, 2003, the selection panel interviewed and evaluated three teams. After a careful evaluation and interview process, the selection committee ranked Bay Area Economics as the most qualified respondent. Bay Area has selected a MBE subcontractor, Yano Accountancy Corp, as a partner in this project and will handle approximately 20% percent of the contract Well in excess of the Human Rights Commission MBE/WBE combined participation goal of 5% MBE and/or WBE participation. The following are the key milestones and events related to the project to date:

2/10/03	Port issues RFP
2/24/03	Pre-proposal conference held
3/10/03	Proposal response deadline (4 proposal received)
4/10/03	The selection panel interviewed the 3 candidates and scored their proposals. Following the interviews and ratings the selection panel determined that Bay Area Economics was the most qualified according to the RFP criteria with the following final scores: Bay Area Economics 464, MGT of America 387, Public Financial Management 372.

Subsequently, Port staff met with representatives from Bay Area Economics to negotiate a schedule of fees.

Commission Action: Port staff recommends that the Port Commission authorize the Executive Director to award a professional services contract to Bay Area Economics for the preparation of the Port of San Francisco Nexus Study for a fee not to exceed $200,000 and to execute necessary contract documents in such form that meets the approval of the City Attorney'' Office and City Risk Manager.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-35

WHEREAS, the Commission previously authorized staff to issue an RFP for a Nexus study; and

WHEREAS, on March 10, 2003 the Port received proposals for this professional services work; and

WHEREAS, a selection panel reviewed all proposals, and interviewed three proposes to select the best qualified consultant team; and

WHEREAS, the selection panel selected Bay Area Economics; and

WHEREAS, the contract will provide for preparation of a Nexus Study; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves the authorization to award the subject professional services contract for the "Port of San Francisco Nexus Study" to Bay Area Economics, at a cost not to exceed $200,000.

I hereby certify that the forgoing resolution was adopted by the San Francisco Port Commission at its meeting of May 13, 2003.

_____
SECRETARY

PORT OF SAN FRANCISCO

MEMORANDUM

May 7, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy, Commissioner
Hon. Brian McWilliams, Commissioner

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for approval to place an Arts Commission sculpture by Robert Arneson in the Ferry Building area to the west of the Embarcadero adjacent to the northerly Ferry Building crosswalk.

DIRECTOR'S RECOMMENDATION: APPROVE PLACEMENT OF ARTS COMMISSION SCULPTURE BY ROBERT ARNESON IN THE FERRY BUILDING AREA.

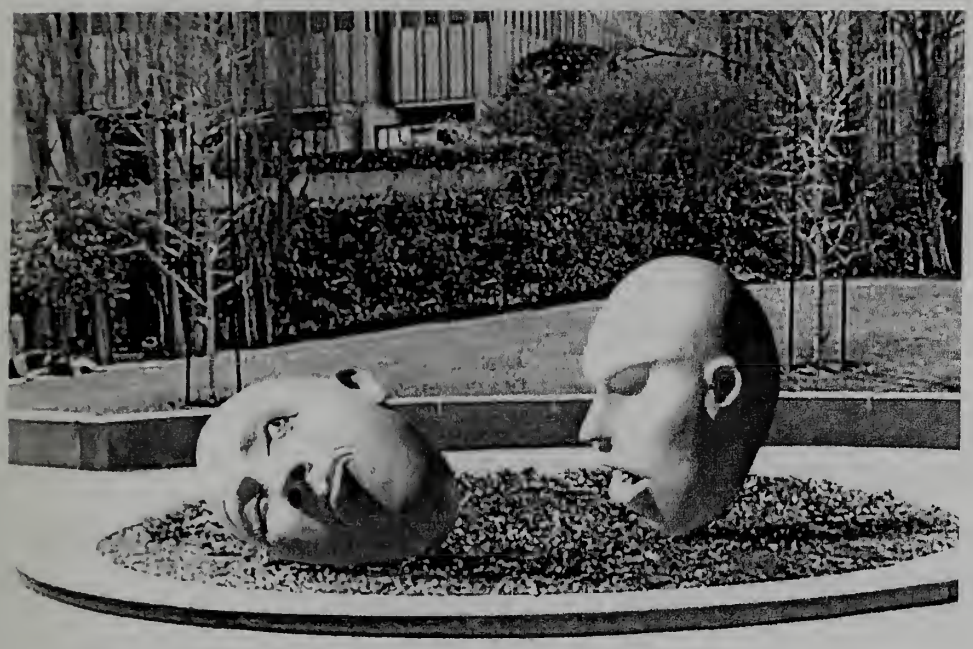
BACKGROUND:

The San Francisco Arts Commission is proposing to locate a sculpture by Robert Arneson on Port property in the Ferry Building area west of the Embarcadero Roadway. The sculpture is titled "Yin & Yang" and consists of a pair of satirical faces each measuring about 30 by 60-inches, in bronze with a white patina finish. Robert Arneson is an internationally acclaimed artist from the Bay Area who spent a greater part of his career teaching at UC Davis while creating art, prior to his death in 1992.

The San Francisco Airport Commission through its Airport Art Steering Committee purchased the sculpture. Because the Airport has not selected an appropriate location, the Arts Commission has arranged to install the sculpture on Port property.

The photomontage shown below illustrates how the Arts Commission is proposing to place the sculpture. Its location would be immediately west of the northerly most Ferry Building crosswalk, and behind the large fountain in Justin Herman Plaza.

This Print Covers Calendar Item No. 7A



If the Commission approves placement of the sculpture by the San Francisco Arts Commission, the Port, Arts Commission and Airport Commission will enter into a "Memorandum Of Understanding" (MOU). As stipulated in the MOU, the Arts Commission would be responsible for all costs associated with the placement, maintenance of the sculpture, and would agree to remove the sculpture upon the Port Commission's request. The Arts Commission considers the placement a long-term loan.

Commission Recommendation
Approve the attached resolution allowing the Arts Commission to place the sculpture titled "Yin & Yang" by Robert Arneson in the Ferry Building area.

Submitted by: Dan Hodapp
Senior Waterfront Planner

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-36

WHEREAS, in July 2001, on the recommendation of the Airport Art Steering Committee, both the Airport and Arts Commissions approved the purchase of *Yin and Yang* using, a bronze sculpture, in two parts ("Sculpture"), by the late sculptor, Robert Arneson, using art enrichment funds generated by the Airport Master Plan Projects; and

WHEREAS, the Airport has not selected and approved a final appropriate location for the Sculpture; and

WHEREAS, the public interest will be better served by publicly displaying the Sculpture rather than placing the Sculpture in temporary storage; and

WHEREAS, Whereas, the Airport Air Master Plan calls for use a portion of Airport art enrichment funds to purchase a significant sculpture that can be installed at another site in San Francisco on a loan basis; and

WHEREAS, a suitable site with appropriate prominence has been found at the Embarcadero; and

WHEREAS, Port, the Arts Commission and Airport have approved the installation of Sculpture at that site; and

WHEREAS, The parties desire to enter into this MOU for the purposes of the installation of *Yin and Yang,* NOW THEREFORE BE IT

RESOLVED, that this Commission hereby authorizes the Executive Director of the Port, or his designee, to enter in to a Memorandum of Understanding with the San Francisco Arts Commission and San Francisco Airport Commission to allow installation of a sculpture titled "*Yin and Yang*" by Robert Arneson, to be located in the Ferry Building area to the west of the Embarcadero adjacent to the northerly Ferry Building crosswalk; and be it further

RESOLVED, that the Memorandum Of Understanding requires the Arts Commission to install, maintain and remove the sculpture at no cost to the Port, and also describes other provisions necessary for the public to enjoy this sculpture by Robert Arneson.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 13, 2003.

_____
Secretary

G:\Ferry Building\Art Comm Arneson Sculpture PC 4-22-3

PORT OF SAN FRANCISCO

MEMORANDUM

May 8, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Denise McCarthy
Hon. Brian McWilliams

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of CEQA Findings and a maritime industrial lease with RMC Pacific Materials for space at Wharf 92 for use as a maritime dry bulk cargo terminal and concrete ready-mix facility

DIRECTOR'S RECOMMENDATION: APPROVE CEQA FINDINGS AND MARITIME INDUSTRIAL LEASE WITH RMC PACIFIC MATERIALS FOR SPACE AT WHARF 92 FOR USE AS A MARITIME DRY BULK CARGO TERMINAL AND CONCRETE READY-MIX FACILITY

BACKGROUND

RMC Pacific Materials ("RMC") currently operates a concrete ready-mix facility at Third and Mariposa Streets, which is within the boundaries of the Catellus Mission Bay development project. RMC is anticipating relocation from this site in the near future.

RMC is interested in remaining in San Francisco because of the numerous local construction projects such as the Mission Bay Development, UCSF Campus Facility, Third Street Light Rail Extension, the Caltrans Bay Bridge and other seismic retrofits, all of which will require the services of a concrete ready-mix facility. RMC has proposed the site at Wharf 92, which meets the operational needs of a marine dry bulk cargo terminal and ready-mix plant. This is in accord with the Port Maritime staff's Marketing Plan which identifies bulk building materials such as cement, sand, gravel and other aggregate products as targeted cargo for maritime revenuc generation.

This Print Covers Calendar Item No. **8A**

RMC proposes to construct and operate a concrete ready-mix plant. They propose to handle and store cement and aggregate products from barges and trucks to support the operation of a concrete ready-mix plant. A major component of the RMC plan is to use the Port's berthing

facilities to unload bulk aggregate materials from barges and ships. The materials would then be moved by a series of conveyors throughout the facility. The proposed ready-mix plant will mix the cement and aggregate materials to produce ready-mix concrete. The ready–mix concrete would then be transported by truck to local job sites. RMC also proposes to deliver cement to the site by rail, thus re-activating regular rail service to the facility. In addition to the production facilities, the ready-mix plant would have a truck maintenance shop, truck washout station with water reclamation, and parking for concrete mixer trucks and employee vehicles.

There are five primary land use documents that regulate uses on property within the jurisdiction of the Port of San Francisco. These documents are the California Public Trust, the San Francisco Planning Code and Zoning Map, the Port's Waterfront Land Use Plan (WLUP) and the Bay Conservation and Development Commission (BCDC) Seaport Plan. The discussion below outlines how the proposed RMC ready-mix plant at Wharf 92 is compatible with these regulatory documents.

The Public Trust: The San Francisco Waterfront is publicly owned and held in "public trust" on behalf of the people of California. The Port of San Francisco is trustee for these public lands. The California Constitution requires that uses within the Port's jurisdiction promote navigation, fisheries, waterborne commerce, enhance natural resources or attract people to use and enjoy San Francisco Bay. The Port, as trustee, makes the determination as to whether a given lease or land use is consistent with the Public Trust.

Certain long-term uses are acceptable on trust property. Such uses include all maritime and maritime support, other water-related industry, open space, water-related commercial recreation and specialty retail and commercial which is designed to draw people to the waterfront. The proposed ready-mix plant is a maritime use and as such is an acceptable trust use.

San Francisco Planning Code: The property at Wharf 92 is located within the M-2 Heavy Industrial District. The proposed ready-mix plant is permitted as a principal use in this District.

Waterfront Land Use Plan (WLUP): Waterfront Land Use Plan (WLUP): The proposed ready-mix facility is considered a maritime cargo industrial use under the WLUP since waterborne dry bulk cargo (aggregate) will be unloaded from barges or ships and transported to the ready-mix plant facility. The WLUP provides a list of acceptable uses for different areas of the waterfront. The *Southern Waterfront Acceptable Land Use Table* governs uses at Wharf 92. This table indicates that "Cargo Shipping" is an acceptable use at Wharf 92.

BCDC Seaport Plan: The Plan identifies *Port Priority Use Areas* that are reserved for regional

maritime port use and include within their premises marine terminals and directly related ancillary activities. Wharf 92 is located within a *Port Priority Use Area* designated for Dry Bulk and Liquid Bulk Cargo Shipping. The proposed ready-mix plant is an acceptable use since it would maintain and increase dry bulk cargo shipping through the existing marine terminal at Wharf 92. Because the proposed site is located within 100 feet of the Bay, the proposed RMC lease will require a BCDC permit.

PROPOSED LEASE

The following is an outline of basic terms and conditions to be included in the Lease with RMC for premises located at Wharf 92.

1. **Premises:** Approximately 151,700 sq. ft. of open land located at Wharf 92.

2. **Use:** The construction and operation of a maritime dry bulk cargo terminal and concrete ready-mix plant including general administrative and maintenance uses directly related thereto, the shipping, receiving, storage and handling of construction materials, delivery and shipment by barge and truck, and for no other purpose.

3. **Term:** Ten (10) years, with three (3) five (5) year options.

4. **Rent**:

   a. Base Rent: Rental Rate of $.16 per sq. ft. per month for open land, with annual cost of living increases.

      Total Base Rent $24,272.00 per month. $291,264.00.00 annually.

   b. Base Rent shall be adjusted to market rent every five (5) years.

5. **Dockage and Wharfage**: Charges will be assessed per Port Tariff for aggregate materials. Current rate is $.75 per kilo-ton (2,204.6 lbs.).

6. **Tenant's Maritime Commitment:** The Tenant agrees to ship through Port facilities the following minimum quantities of aggregate materials during the term of the Lease:

   a. First year: 75,000 tons per year

   b. Second year and each year thereafter an average of: 175,000 tons per year based on a three year rolling average, adjusted annually

   Tenant must ship at least 50,000 tons per year directly to the Premises at Wharf 92. If

Tenant fails to meet the minimum level of bulk cargo shipments to the Port of San Francisco facilities, Tenant shall pay to Port a Maritime Deficiency Fee equal to the Wharfage fees that would otherwise have been attributable to the quantities of bulk cargo tonnage constituting the Deficiency.

Tenant's failure to comply with any provisions set forth in the Lease regarding the Tenant's maritime commitment shall be deemed a material default under the Lease subject to default provisions of the Lease.

7. **Improvements:** The Premises will be accepted by the Tenant in its "as is" condition. All work to the Premises shall be conducted by Tenant at its sole cost and expense. All improvements shall be subject to the approval of the Port and shall require a building permit from the Port. Tenant shall be responsible for any required infrastructure modifications or improvements including roads, water, sanitary and storm sewers.

8. **Rent Credit For Demolition of Shed Building:** At any time during the Term of this Lease, Tenant may, at Tenant's sole cost and expense, demolish and remove the shed building located within the Premises.

   In consideration of such demolition and removal by Tenant and Tenant's expenditures related thereto, and upon approval by Port of copies of receipts, cancelled checks, invoices marked "Paid" or other items reasonably acceptable to Port evidencing proof of such expenditures, Port shall issue an appropriate rent credit (herein "Rent Credit") to Tenant.

   The Rent Credit shall be a sum equal to Tenant's actual cost for demolition, labor and removal, or a sum not to exceed Fifty Thousand Dollars ($50,000.00), whichever is the lesser amount.

9. **Environmental:** RMC will be required to comply with applicable mitigation measures identified in the Southern Waterfront Supplemental Environmental Improvement Report (SEIR). The mitigation measures shall become required conditions of the Lease.

10. **Annual Concrete Production limit**: The SEIR analysis is based on certain assumptions and projections that were made regarding annual production of aggregate construction material and on total production of concrete and asphalt on Port facilities. The existing annual production limit for concrete is 650,000 cubic yards and 400,000 cubic yards for asphalt, although no asphalt production are proposed for Port lands.. This is projected to increase to 850,000 cubic yards of concrete and 530,000 cubic yards of asphalt by 2015.

    The Tenant, collectively with the other concrete operators, will be required as a condition of the Lease to submit monthly reports to the Port of audited production levels. The monthly reports will be monitored by the Port to ensure that the cumulative total of concrete produced

does not exceed the aggregate based construction material production assumption in the SEIR. The monthly reporting will enable the Port and affected tenants to know in advance any potential for exceeding the production level limit, and thus allow measures to be taken to ensure such overage does not occur. In the event that the production limit is exceeded, despite the monthly reporting requirement, the tenants would be declared in default of their respective leases, and all concrete operation halted if overall production cannot be reduced to a level consistent with the SEIR. Increases in the production of concrete or aggregate-based construction material above the level assumed in the SEIR, under any circumstances, will be subject to further environmental review by the San Francisco Planning Department's Office of Major Environmental Analysis (MEA). If MEA determines that the increased production level exceeds the impacts identified in the SEIR analysis, the further environmental evaluation may include additional mitigation measures that would be considered by the Commission as additional lease conditions.

11. **Infrastructure Improvements:** The Tenant agrees to make a one time payment to the Port in the amount of $165,353.00, which Port shall allocate toward the construction of the Illinois Street Intermodal Bridge, the "Gateway Project" or other as yet-to-be defined projects.

12. **Storm Water Pollution Prevention**: In addition to requiring Tenant to meet the current Storm Water Pollution Prevention Plan (SWPPP) requirements, the Port is developing a Storm Water Management Program (Program) for the Southern Waterfront area between Pier 70 and India Basin. The Program will establish specific standards and the best available storm water management practices and control technologies that apply to the existing and proposed industrial and maritime facilities. The range of effective storm water management and treatment options will be expanded to include natural systems and alternative innovative technologies. The Program will be developed to provide the Port and its tenants guidance for storm water management and treatment and practices and may exceed the current SWPPP requirements. Tenant's SWPPP will be reviewed by the Port Environmental Manager, with the intent of providing early input to best assure that the SWPPP is consistent with storm water treatment objectives that are emerging in the Program. When the Port adopts its Storm Water Management Program (which will include water quality criteria, inspection and monitoring standards and reporting requirements), Tenant shall comply with all conditions of the program, including any additional provisions that exceed Tenants' requirements under the SWPPP.

13. **Tenant's Reporting Requirement**: Tenant shall submit a Monthly Activity and Monitoring Report, which shall include concrete production levels, maritime imports of bulk materials, truck trips, use of rail facilities, monitoring of SEIR mitigation measures, including dust mitigation monitoring, Storm Water Monitoring Program, local trucker participation and employment training programs.

14. **Local Trucking**: Tenant agrees that, for all trucking opportunities associated with Tenant's operations at the Premises, Tenant shall make good faith efforts to first use local truckers.

SOUTHERN WATERFRONT ADVISORY COMMITTEE (SWAC)

SWAC has reviewed and recommended the Pier 92 site for the proposed Lease between the Port and RMC.

CEQA FINDINGS

The RMC Lease was originally proposed to be located at Pier 80, and was analyzed along with a number of other proposed uses on other Port property in the Southern waterfront Final Supplemental Environmental Impact Report (SEIR), a Program EIR under the California Environmental Quality Act (CEQA), certified on February 15, 2001. The SEIR supplements the Waterfront Land Use Plan Final Program EIR, certified on January 9, 1997. When the proposed RMC Lease site was changes to the current Pier 92 location, an Addendum to the SEIR was issued by the San Francisco Planning Department on April 18, 2003.

Pursuant to the requirements of CEQA, California Public Resources Code Sections 21000 et seq., the Buidelines for Implementation of CEQ, 15 Cal. Administrative Code Section 15000 et seq., (CEQA Guidelines) and Chapter 31 of the San Francisco Administrative Code, the Port Commission must review and consider the information contained in the SEIR, and adopt findings prior to approving any uses analyzed in the SEIR. Accordingly, the "Findings of the Port Commission Affirming RMC Pacific Materials Lease" ("Findings") are attached to the resolution approving the RMC Pacitic Materials Lease for Commission review and adoption, and includes two supporting exhibits: Exhibit 1, SEIR Mitigation Measures Required as Conditions of the RMC Pacific Materials Lease; and Exhibit 2, RMC Pacific Materials Lease Mitigation Measure Monitoring Program.

Prepared by: Mark W. Lozovoy, Deputy Director, Real Estate

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-37

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, RMC Pacific Materials ("RMC") has proposed to develop a concrete ready-mix plant and maritime dry bulk cargo terminal facility at Wharf 92 on property to be leased from the Port Commission; and

WHEREAS, RMC has agreed to ship through the Port minimum quantities of aggregate materials during the Term of the Lease; and

WHEREAS, RMC shall comply with a Port approved Environmental Mitigation Plan, which shall become a material exhibit to the Lease, and

WHEREAS, the proposed use of the Wharf 92 and maritime dry bulk cargo terminal facility is consistent with the California Public Trust, the General Plan of the City and County of San Francisco, the San Francisco Planning Code, the Waterfront Land Use Plan and the BCDC Seaport Plan; and

WHEREAS, The Southern Waterfront Final Supplemental Environmental Impact Report (SEIR), San Francisco Planning Department Case No. 1999.377E was certified on February 15, 2001, which supplemented the Waterfront Land Use Plan Final EIR, certified on January 9, 1997; and

WHEREAS, The Project analyzed in the SEIR included a series of proposed lease uses, Port infrastructure projects and potential development assumptions on Port-owned property located in the Southern Waterfront, from Pier 70 to India Basin which included the RMC Pacific Materials Lease proposed at Pier 80; and

WHEREAS, The site for the RMC Pacific Materials Lease was changed from Pier 80 to Pier 92, which was analyzed in an Addendum to the SEIR to assess any changes in environmental impacts from the site change; and

WHEREAS, An Addendum to the SEIR was published on April 18, 2003 determining that the effects of the proposed change in site location of the RMC Pacific Materials Lease would not result in any new significant environmental effects beyond those already identified in the SEIR; and

WHEREAS, Under CEQA Guideline Section 15162, no new information of substantial importance has become available, no modification to the project has occurred

that would require important revisions to the SEIR, and no substantial changes have occurred with respect to the circumstances under which the project is undertaken, since the Planning Commission certified the SEIR, therefore, there is no need to prepare a supplement to the SEIR or recirculate the SEIR; and

WHEREAS, Pursuant to the requirements of the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq., (CEQA), the Guidelines for Implementation of CEQA, 15 Cal. Administrative Code Sections 15000 et seq., (CEQA Guidelines) and Chapter 31 of the San Francisco Administrative Code, the Port Commission must review and consider the information contained in the SEIR and Addendum, and adopt findings prior to approving the RMC Pacific Materials Lease for the uses described above; and

WHEREAS, Project Environmental Impact Report files have been made available for review by the Port Commission and the public, and these files are part of the record before the Port Commission; and

WHEREAS, That the Port Commission has reviewed and considered the information contained in the SEIR and Addendum; now, NOW THEREFORE, BE IT

RESOLVED, That the Port Commission herby adopts CEQA findings, and a Mitigation Monitoring and Reporting Program, as required by Section 21081.6 of the Public Resources Code, and as attached to this Resolution 03-37 ("Findings Affirming the RMC Pacific Materials Lease"; Exhibit 1: SEIR Mitigation Measures Required as Conditions of the RMC Pacific Materials Lease; and Exhibit 2: RMC Pacific Materials Lease Mitigation Measure Monitoring Program), including findings with respect to the environmental mitigation measures identified in the SEIR, the project alternatives, the potential significant environmental effects of the Project, as approved, and a statement of overriding considerations supporting the decision to approve the RMC Pacific Materials Lease; and, BE IT FURTHER .

RESOLVED, that the San Francisco Port Commission hereby approves a maritime industrial lease between the Port and RMC for a concrete ready-mix plant and maritime dry bulk cargo terminal facility at Wharf 92 upon final terms and conditions to be approved by the Port Commission, in a form to be approved by the City Attorney's Office, which terms and conditions are set forth substantially and in preliminary form in the Memorandum of Agenda Item 8A for the May 13, 2003 Port Commission Meeting.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 13, 2003.

_____
Secretary

FINDINGS OF THE PORT COMMISSION AFFIRMING THE RMC PACIFIC MATERIALS LEASE

I. INTRODUCTION

The following findings are hereby adopted by the Port Commission pursuant to the requirements of the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq., (CEQA), the Guidelines for Implementation of CEQA, 15 Cal. Administrative Code Sections 15000 et seq., (CEQA Guidelines) and Chapter 31 of the San Francisco Administrative Code.

These findings are adopted, and incorporated by reference, in the Port Commission Resolution 03-37, dated May 13, 2003, approving a lease on Pier 92 with RMC Pacific Materials.

These findings are based on the Port of San Francisco Southern Waterfront Final Supplemental Environmental Impact Report (SEIR), certified February 15, 2001, and Addendum to the SEIR dated May _____, 2003. The SEIR provides a comprehensive evaluation of impacts of specific leases, Port infrastructure projects and a program of other potential activities on Port property in the Southern Waterfront area. The SEIR supplements the Waterfront Land Use Plan Final Environmental Impact Report, certified January 9, 1997.

The findings contain the following sections:

Article II is the Description of the Record. The RMC Pacific Materials Lease and its relationship to the project analyzed in the SEIR is generally described in Article III, below. Article IV sets forth findings as to the disposition of each of the mitigation measures proposed in the SEIR. These findings fall into five categories: (1) measures adopted by the Port Commission exactly as proposed in the SEIR and which can be implemented by the Port Commission, (2) measures adopted by the Port Commission exactly as proposed in the SEIR and which will be implemented as a condition of the RMC Pacific Materials Lease, (3) measures adopted by the Port Commission with modifications as a condition of the RMC Pacific Materials Lease, (4) measures recommended by the Port Commission for adoption and which are enforcable by city agencies other than the Port Commission, and (5) mitigation measures proposed in the SEIR which the Port Commission rejects because the measures are not applicable to the uses or activities proposed in the RMC Pacific Materials Lease. Where measures are modified, the modified language is indicated in the text. Exhibit 1, attached to these findings, contains the full text of the SEIR mitigation measures that will be implemented as part of Port Commission approval of the RMC Pacific Materials Lease. Where mitigation measures have been modified, as described below in Article IV, the modifications have been indicated (additions are underlined; ~~deletions are shown with strike-through~~). Exhibit 2 contains the Mitigation Monitoring and Reporting Program. Article V of this document addresses the SEIR alternatives and the reasons for the Commission's rejection of those

alternatives in the context of approving the RMC Pacific Materials Lease. Article VI identifies the significant adverse environmental impacts (including the unavoidable significant adverse impacts) to which the RMC Pacific Materials Lease would contribute, which have not been mitigated to a level of insignificance by the adoption of mitigation measures as provided in Article V above. Article VII contains a Statement of Overriding Considerations, setting forth specific economic, social and other reasons in support of the Port Commission's approval of the RMC Pacific Materials Lease.

II. DESCRIPTION OF THE RECORD

Location and Custodian of Record.

The public hearing transcripts, a copy of all letters received during the public review period, the administrative record, and background documentation of the SEIR are located at the Planning Department, 1660 Mission Street, San Francisco. The Planning Department is the custodian of record.

Findings are based on substantial evidence contained in the record before the Port Commission. For ease and clarity of reading, specific citations to information in the record upon which each finding is based may have been omitted. In all instances, however, these findings are based on the information contained in the SEIR, as supplemented with information provided by the applicant, consultants, and interested parties, and reasonable inferences drawn from such information, identified below. Much of this information was cited in the SEIR; all of this information has been and will continue to be available for public review at the offices of the San Francisco Planning Department and/or the Port of San Francisco.

For purposes of CEQA and these findings, the record before this Commission includes, without limitation, the following:

A. All application materials and supporting documents submitted by the Project Sponsor, RMC Pacific Materials;

B. The Waterfront Land Use Plan Final EIR, and associated CEQA Findings adopted by the Port Commission in June 1997;

C. The SEIR, including the Draft SEIR, comments received on the Draft SEIR, Responses to Comments, staff initiated text changes to the SEIR, and all appendices;

D. An Addendum to the Final SEIR, dated April 18, 2003

E. The Mitigation Monitoring and Reporting Program for the RMC Pacific Materials Lease;

F. All meeting agendas, minutes and reports to the Southern Waterfront Advisory Committee, Port Commission, or other Boards and Commissions attachments,

references and material kept in the ordinary course of business associated with the public planning process;

G. All relevant staff, and public reports and memoranda kept in the ordinary course of business providing substantial evidence to support these findings, and the SEIR, including attachments, appendices and references kept in the ordinary course of business;

H. All public notices, including but not limited to notices of preparation and completion issued for the RMC Pacific Materials Lease, and notices of public meetings.

III. DESCRIPTION OF RMC PACIFIC MATERIALS LEASE AND SEIR PROJECT

This section describes the activity the Port Commission proposes to authorize under the RMC Pacific Materials Lease, and the relationship of the proposed lease to the activities analyzed in the SEIR. The SEIR considers a number of proposed industry leases and Port development activities for the Southern Waterfront area. The RMC Pacific Materials Lease was identified in the SEIR as one of the proposed leases. However, the proposed location of the RMC site has been changed from Pier 80, analyzed in the SEIR to Pier 92. The San Francisco Planning Department's Major Environmental Assessment Division published an Addendum to the SEIR, dated April 18, 2003, which explains the reasons for concluding that the proposed uses and associated impacts of the RMC Pacific Materials Lease have been adequately addressed in the SEIR. Based on the Addendum, the Planning Department determined that:

1. No substantial changes have occurred in the Project that would involve new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

2. No substantial changes have occurred with respect to the circumstances under which the Project is to be undertaken that would involve new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

3. No new information of substantial importance has arisen since certification of the SEIR that identified new or substantially more severe significant impacts, that identified new mitigation measures or alternatives that would substantially reduce an identified significant effect, or that shows mitigation measures or alternatives previously found infeasible would be feasible and would reduce one or more significant effects.

A detailed description of the proposed RMC Pacific Materials Lease and environmental evaluation documents is presented below.

A. The RMC Pacific Materials Lease

RMC Pacific Materials Lease seeks a lease for the development and operation of a ready-mix concrete plant, located on Pier 92. The uses in the RMC Pacific Materials Lease would be restricted to new aggregate imports for RMC Pacific Materials's operations, and the ready mix concrete manufacturing operations. The RMC Pacific Materials Lease would not permit any manufacturing of asphalt.

The RMC Pacific Materials ready-mix plant would be constructed with all-new equipment, replacing its existing, older San Francisco plant located on Third Street, north of Mariposa Street. The ready-mix plant would occupy approximately 182,000 sq. ft. of an existing paved facility located west of the Pier 90 former grain terminal and silos.

The ready-mix plant would include storage of aggregate material (gravel) delivered by bottom-hopper dump trucks, or received by barge or ships through the Port's marine terminals, most likely from berths at the Pier 94-96 terminal, or freight rail. The RMC Pacific Materials facility would include storage bins for aggregate and sand; aproximately 70 foot tall batching plant with storage silos for Portland cement and fly ash, both of which are used in the production of concrete; mixer, and dust containment system; and a series of conveyance systems for movement of the materials throughout the plant – conveyor belts for the solid aggregate material, and an enclosed pneumatic pumping system for the Portland cement and fly ash, equipped with "baghouse filters" for dust control. The concrete manufacturing processes would be enclosed within a newly-constructed industrial shed structure, and storage piles of aggregates would be contained in three-sided bin enclosures to reduce dust. RMC Pacific Materials also would use water spray bars to reduce dust from aggregates in outdoor storage piles. In addition to the production facilities, RMC Pacific would construct an approximately 7,000 sq. ft. structure to house its administrative office and a truck maintenance shop; the existing warehouse formerly used for storing fishmeal would be demolished. The new operations also would include a truck washout station with water reclamation, and parking for concrete mixer trucks and employee vehicles.

Ready mix trucks ("cement mixers") would make deliveries of concrete to customers and construction sites primarily within San Francisco. Trucks would travel on Amador Street to Third Street, until the Illinois Street Intermodal Bridge is built over Islais Creek, which would allow trucks to bypass Third Street and Cargo Way. Trucks traveling outside of San Francisco would generally use Cesar Chavez Street to reach US 101 or Interstate 280 freeways.

The lease term is for 10 years with three, five year options to extend the lease term up to a total of 25 years. The RMC Pacific Materials Lease would include SEIR mitigation measures as conditions of the lease, to avoid or minimize significant environmental impacts. Under the lease, the Port also has the right, in its sole discretion, to reject an extension option if the tenant has not complied in a satisfactory and timely manner with the required SEIR mitigation measures, stormwater pollution prevention plan, or reporting requirements stipulated as conditions of the lease.

B. Project Analyzed in the Southern Waterfront Supplemental Environmental Impact Report (SEIR)

1. Background of SEIR and Relationship to Other Documents. In January 1997, the San Francisco Planning Commission certified the Waterfront Land Use Plan Final EIR (WLUP FEIR), a Program EIR that analyzed the impacts of a full range of land use alternatives and variants on Port property, including the Southern Waterfront area between Pier 70 to India Basin. The Waterfront Land Use Plan, and the WLUP FEIR and associated CEQA Findings adopted by the Port Commission in June 1997 also include a comprehensive discussion of the Port's public trust and financial responsibilities, and the local and state regulatory framework for waterfront projects, which set the context for the Port's land use policies, including those for the Southern Waterfront.

2. SEIR Project Description. As described in the WLUP FEIR and CEQA findings, market conditions and other factors will determine the nature of development that occurs along the waterfront, consistent with the Waterfront Land Use Plan. In 1999, the Port received three different lease proposals for ready-mix concrete batch plants, along with three other use proposals between Piers 70 and 96 (referred to as the "Industry Group" in the SEIR). In addition, the Port also had proposed construction of an Illinois Street Intermodal (freight rail/vehicle/bicycle) Bridge, and a dredged materials handling operation. In June 1999, the Major Environmental Assessments division (MEA) of the San Francisco Planning Department determined that these proposed activities could have potential significant physical environmental effects that were not fully analyzed in the WLUP FEIR, and thus required supplemental environmental review. Rather than prepare separate supplemental EIR's, MEA directed that all the proposed individual projects be combined and analyzed in a single document, the Southern Waterfront Supplemental EIR (SEIR). The SEIR analyzes existing uses and conditions, and the proposed Industry Group uses and Port infrastructure projects listed below, which are analyzed at a project-specific level of detail.

- Bode Gravel Company/Mission Valley Rock – concrete ready-mix plant and aggregate import terminal, and asphalt batch plant at Pier 92
- RMC Pacific– proposed concrete ready-mix plant at Pier 80
- British Pacific Aggregates/Hanson Aggregates – aggregate bulk imports, and possible concrete ready-mix and asphalt plants at Pier 94
- ISG Resources – proposed import, storage and transloading of fly ash in the Pier 90 former grain silos and adjacent dock
- Coach USA – proposed tour bus maintenance and repair facility at Pier 96
- Waste Management Inc. – proposed construction debris recycling facility at Pier 70
- Illinois Street Intermodal Bridge – proposed as a connection between the Port's North and South Marine Terminals across Islais Creek
- Port Dredged Materials Storage Operations – storage and transshipment of Bay mud removed during Port maintenance dredging of its terminal berths

In addition to the above use proposals, the SEIR analyzes the environmental effects of potential development scenarios that could occur on adjacent or nearby Port-owned property in the Southern Waterfront. There are no actual proposals for these development scenarios, and therefore the impacts are evaluated at a program (less specific) level of detail. The Port and MEA determined the need to include development scenarios to ensure that the SEIR's

cumulative impact analyses adequately took into account the effects of other leasing, cargo or development activity that could be proposed on Port property. The Port has been working actively to solicit new contracts for cargo shipping, development proposals for the Pier 70 Mixed Use Development Opportunity Area, and to carry out community planning efforts for possible new development in the Pier 90-94 backlands area. While it is unknown as to whether any actual development will be proposed, the Port recognized the potential for developments or unanticipated proposals to emerge while preparation of the SEIR was underway, or after certification. As a result, it was decided that the SEIR description of the "Project" include assumptions of potential development to establish a conservative cumulative impact analysis that tends toward identifying a relatively high-end level of impacts. The SEIR Project, therefore, encompasses the Industry Group proposals, certain Port infrastructure proposals and other less specific Port development in the Southern Waterfront area. The potential development assumptions fall into the following categories, which are further detailed in the SEIR:

- Increased cargo shipping activity at the North and South Marine Terminals
- Potential, new development (though there are no actual proposals) on other Port Southern Waterfront property, including Pier 70 Development Opportunity Site, other industrial uses in the remaining Pier 70 area, the Western Pacific site, the Pier 90-94 Backlands, and portions of Pier 96

The inclusion of the potential development assumptions with the specific Industry Group and Port infrastructure improvements in the SEIR "Project" makes the SEIR somewhat unique. The SEIR not only provides the analysis of project-specific impacts and mitigations for each proposed Industry Group lease or Port infrastructure project, it also functions as a Program EIR (as described in CEQA Guidelines Section 15168) in its evaluation of other potential Port development at a less-specific level of detail. With this scope of activities and approach, the SEIR has been structured to, as much as possible, meet environmental evaluation requirements under CEQA for Southern Waterfront projects that may be considered for approval on separate timelines. For the Industry Group and Port infrastructure projects, the SEIR meets all CEQA environmental review, the nature of which would depend in part on how closely a proposal matches or is encompassed by the uses and impacts analyzed in the SEIR.

The SEIR contains a focussed analysis of the following impact topics: Land Use, Transportation, Air Quality, Hydrology and Water Quality, Hazardous Materials, Biological Resources, and Growth Inducement. The SEIR's cumulative transportation and air quality analysis takes into account nearby land use and transportation changes outside the Port's jurisdiction. The description of use and transportation assumptions underlying the SEIR analyses, on and off Port property, are provided on SEIR pp. 1-24, 45-47, and 96-97. In addition to the projects listed above, the cumulative transportation and air quality analysis takes into account cumulative development either approved or proposed on adjacent or nearby areas outside of the Port's jurisdiction, including Mission Bay, Bayview Hunters Point community, and the proposed expansion of the Potrero Power Plant.

3. SEIR Analysis Timeframe. The broad array of activities included in the SEIR Project would occur at varying points in time. The proposed Industry Group leases were presumed to

occur as soon as the Port and Industry Group entities could negotiate their respective leases following certification of the SEIR. The Port's Illinois Street Bridge, and Dredged Material Handling Facility were assumed to occur as soon as the Port secured the remaining funding, approval and/or contracting necessary to implement these infrastructure facilities. In contrast, most of the projected growth in cargo, and development program assumptions for other Port properties were not assumed to occur in the near-term.

As a result, the SEIR analyzes the various activities in two different timeframes, years 2003 and 2015. See pp. 6-7 of the SEIR for a listing of the sites and proposed uses, broken down by analysis year. In 2003, the SEIR assumes implementation of all the Industry Group leases, and some growth in cargo and industrial activities ("Phase I") in addition to existing activities. The 2003 transportation analysis is presented in two contexts: one without the presence of the Illinois Street Bridge and Third Street MUNI Metro light rail improvements, and one with these two transportation improvement projects in place.

The Year 2015 timeframe assumes implementation of the Industry Group leases, the Illinois Bridge and MUNI Metro light rail on Third Street, more projected cargo and other industrial activity than in 2003; and potential development of the Pier 70 Opportunity Area and Pier 90-94 Backlands. In addition, the 2015 analysis assumes greater levels of concrete and asphalt production volumes than assumed in the 2003 analysis (See SEIR Appendix A, p. A.1-A.5).

4. SEIR Alternatives. In addition to the Project as described above, the SEIR analyzes the following three alternatives:

- Alternative A: The No Project Alternative, which would entail no change to the project area. None of the Industry Group leases or Port infrastructure projects, nor the RMC Pacific Materials Lease would be implemented.

- Alternative B: Reduced Scale Alternative, which assumes the same projects and activities as the Project, except that the Mission Valley Rock and British Pacific Aggregates (now Hansen) asphalt plants, and the Coach USA bus storage and maintenance facility would not occur; lower concrete production volumes assumed in 2003 would be maintained in 2015; there would be a lower level of cargo shipping than assumed in the SEIR Project Description; and there would be no assumed development in the Pier 90-94 backlands. The SEIR identifies Alternative B as the Environmentally Superior Alternative in accordance with Public Resources Code Sections 21002 and 21081. Alternative B would result in less substantial traffic impacts and have slightly less impact on air quality than the Project.

- Alternative C: Residential Use Future Scenario, which assumes residential uses together with mixed office/research and development space assumed in the Pier 70 Mixed Use Opportunity Area.

5. SEIR Addendum for RMC Pacific Materials Lease. The RMC Pacific Materials lease originally was proposed for development on the southern edge of Pier 80, just east of Illinois Street, which site was assumed in the SEIR analysis. Subsequent to certification of the SEIR, strong community concerns were expressed against the Pier 80 site. Accordingly, the Port

and RMC Pacific evaluated other sites for the proposed concrete batch plant and now propose its development on a portion of Pier 92; this alternate site has received support from the Port's Southern Waterfront Advisory Committee.

The proposed change in sites would alter traffic circulation patterns associated with RMC Pacific's operations, relative to the SEIR analysis. In addition, the change to Pier 92 necessitates the need for repair of a portion of a pile-supported deck that was not applicable to the Pier 80 site. The SEIR Addendum evaluated effects of these changes in RMC's project, and took into account other land use changes that have emerged since SEIR certification --the termination of discussions between the Port and Coach USA and ISG Resources to secure leases of Port Southern Waterfront property. In light of this scope of changes, the SEIR Addendum addresses the following topics: Land Use, Transportation, Air Quality, Biological Resources, Noise and Growth Inducement.

The SEIR Addendum was published by the San Francisco Planning Department on April 18, 2003. In summary, the SEIR Addendum found that the net effect of locating RMC Pacific at Pier 92 instead of Pier 80, combined with reduction in leasing activity due to decisions by Coach USA and ISG Resources to cease efforts to seek Port leases, results in projected traffic volumes and air emissions that fall below those analyzed in the SEIR. There would be no changes in land use or noise impacts. Potential biological resource impacts resulting from replacement and repair of pile-supported decking were found to be insignificant with implementation of a mitigation measure that would limit in-water construction to between March 1 and November 30, to avoid adverse environmental impacts on the Pacific herring fishery. Based on the SEIR Addendum analysis, the proposed changes in the RMC Pacific proposal would not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There have been no substantial changes that have occurred with respect to the circumstances under which the Project is to be undertaken that would involve new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Furthermore, no new information of substantial importance has arisen since certification of the SEIR that identified new or substantially more severe significant impacts; that identified new mitigation measures or alternatives that would substantially reduce an identified significant effect; or that shows mitigation measures or alternatives previously found infeasible would be feasible and would reduce one or more significant effects.

6. Approvals Related to RMC Pacific Materials Lease. The primary approval actions related to the RMC Pacific Materials Lease ready-mix plant operation is Port Commission approval of these findings and approval of the RMC Pacific Materials Lease. In addition, RMC Pacific Materials will require approvals and/or permits from BCDC, Regional Water Quality Control Board, Bahy Area Air Quality Management District, San Francisco Public Utilities Commission and Port building permits.

IV: MITIGATION MEASURES

The findings in this section concern mitigation measures set forth in the SEIR, Chapter IV Mitigation Measures Proposed to Minimize the Potential Adverse Impacts of the Project, which include a listing of the applicable mitigation measures, by topic, originally presented in the WLUP FEIR. All of the mitigation measures in the SEIR have alpha numeric codes which are used to refer to the measures in these findings.

The scope of impacts analyzed in the SEIR reflects a broad range of activities, described above, generated from Port lease and infrastructure projects, as well as potential additional development that could occur on Port Southern Waterfront property or on adjacent or nearby non-Port owned lands. As a result, not all of the mitigation measures will apply to the RMC Pacific Materials Lease.

In the text of these findings, mitigation measures that are applicable to the RMC Pacific Materials Lease and which would be adopted by RMC Pacific Materials or the Port Commission are summarized in a few sentences. Mitigation measures within the jurisdiction of other agencies are similarly referenced together with an indication of the appropriate jurisdiction. Mitigation measures which are modified, or rejected because they are not applicable to the uses proposed in the RMC Pacific Materials Lease are summarized with sufficient specificity to allow the reader to understand the rationale for the action. Modifications to mitigations are set out in detail. No mitigation measure applicable to the RMC Pacific Materials Lease operation is rejected in its entirety. Exhibit 1, incorporated herein by reference, contains the complete text of each mitigation measure as presented in the SEIR that is required as a condition of the RMC Pacific Materials Lease, with any modifications shown (additions are underlined; deletions are shown with ~~strike through~~). The mitigation measures fall into five categories:

1) Mitigation measures adopted by the Port Commission exactly as proposed in the SEIR and which can be implemented by the Port Commission;

2) Mitigation measures adopted exactly as proposed in the SEIR and which can be implemented as a condition of the RMC Pacific Materials Lease;

3) Mitigation measures adopted with modifications as a condition of the RMC Pacific Materials Lease;

4) Mitigation measures which are implemented or enforced by city agencies other than the Port Commission: MUNI and the Department of Parking and Traffic (Mitigation Measures B.1

5) Mitigation measures proposed in the SEIR which the Port Commission rejects because it has determined that the measures are not applicable to the uses or activities proposed in the RMC Pacific Materials Lease.

The Port Commission finds that the mitigation measures adopted or recommended for adoption by another agency, either as they appear in the SEIR or as proposed for modification, are feasible and enforceable through the RMC Pacific Materials Lease or through the other anticipated approvals identified above. Based on the information contained in the SEIR and the administrative record, the Port Commission has found that the mitigation measures in the SEIR will mitigate, reduce, or avoid significant effects and are hereby adopted by the Port Commission and recommended for adoption and implementation by other City agencies, which agencies can and should adopt these measures. Measure B.1 identifies various improvements to mitigate unacceptable congestion levels projected in year 2015 at specified intersections, which fall within the jurisdiction of the Department of Parking and Traffic (DPT) and MUNI. The Port has consulted with MUNI and DPT regarding the feasibility of implementing these improvements in the future. While it is not possible to determine definitively at this time whether these measures will be implemented as specifically described in the SEIR, the measures appear to be feasible and could be considered for implementation by DPT if the projected changes in traffic conditions occur.

A. Mitigation Measures Adopted by the Port Commission as Proposed

The following SEIR mitigation measures are found to mitigate, reduce, or avoid significant environmental effects, and are hereby adopted for implementation by the Port Commission.

Transportation

B.4 This measure requires the Port to comply with requests from the Major Environmental Analysis section of the Planning Department to analyze intersection levels of service for existing and future traffic conditions at intersections that may reasonably be expected to be affected by each future development, and identify and implement appropriate mitigation measures. This measure originated in the WLUP FEIR, and was modified and adopted by the Port Commission in 1997. The mitigation measure, as presented in the SEIR, includes the approved 1997 modifications. This measure is implemented primarily through the environmental review process for individual public and private projects proposed on Port property. Implementation by the Port or Port project developer of identified mitigation measures depends in part on the degree to which the Port project contributes to significant impacts, and whether the affected streets are in the jurisdiction of the Departments of Public Works (DPW) and Parking & Traffic (DPT), which are generally responsible for managing traffic improvement projects. For example, the Port is taking responsibility for securing funding and implementation of the Illinois Street Bridge, a Port infrastructure project that is not under the jurisdiction of either DPW or DPT, which has been identified as a mitigation measure in the SEIR. As indicated below, the Port will require financial contributions from RMC Pacific Materials to contribute towards implementation of Infratstructure Improvements, which include the Illinois Street Bridge, as a condition of the lease.

Hazards

E.3 To mitigate hazards associated with disturbance of an existing soil stockpile that may occur during site construction, this measure requires the Port to contract, or require Port tenant(s) to contract, for disposal of any portion of the soil pile on the Bode and Mission

Valley Rock sites at Pier 92. This measure was adopted by the Port Commission in a previous action, and has been completed.

Geology, Soils and Seismicity

G.12 This measure requires the Port to work in cooperation with the City's Office of Emergency Services (OES), Fire Department and Police Department to plan routes of alternative emergency access to development sites and hospitals. This measure originated in the WLUP FEIR and was adopted by the Port Commission, as modified, in 1997. The mitigation measure, as presented in the SEIR, includes the approved 1997 modifications. The Port is one of several City agencies that has been working in coordination with the Mayor's Office of Emergency Services (OES), and Fire and Police Departments to set up a communications procedure that enables emergency access routes to be identified based on reports of road or transportation network damage, obstructions or other circumstances following a catastrophe that could affect emergency routes.

G.13 To mitigate hazards associated with piers that are in poor condition, this measure calls for development and regular inspection of the condition of the piers, and for development of a maintenance and repair schedule, coordinated with the Port's Capital Plan. This measure originated in the WLUP FEIR and was adopted by the Port Commission, as modified, in 1997. The mitigation measure, as presented in the SEIR, includes the approved 1997 modifications. To date, the Port has been performing pier condition inspections, primarily for structures in questionable condition, or for facilities proposed for new leases or development projects. The Port's Engineering staff has developed a systematic approach to prioritizing and conducting pier facility condition surveys. In addition, the Port Commission has authorized funds to purchase new software and consulting services to establish a state-of-the-art Facility Maintenance Management program. The Facility Maintenance Management program will work hand in hand with the Pier Condition Inspection and Prioritization program to improve maintenance and repair of the Port's facilities.

B. Mitigation Measures Adopted as Proposed as a Condition of the RMC Pacific Materials Lease

The following SEIR mitigation measures are found to mitigate, reduce, or avoid significant environmental effects, and are therefore included as a condition in the RMC Pacific Materials Lease.

Air Quality

C.1 This measure requires RMC Pacific Materials Lease (a construction aggregate industry business) to include "best available control technology" (BACT) to control emissions, consistent with current regulations. This measure, which describes several types of practices to reduce or eliminate particulate emissions, will be implemented as a condition of the RMC Pacific Materials Lease.

C.3 This measure requires all tenants, including RMC Pacific Materials, to make good faith efforts to engage in operational practices sensitive to the environment and the neighboring community, consistent with the City's Clean Air Program. This measure calls for operators of fleet vehicles to investigate the potential for use of low- or zero- emission

vehicles and implementation of measures to reduce vehicle emissions to the maximum feasible extent, and provides a list of options to achieve that objective. The measure also requires that tenants operating diesel-powered stationary equipment investigate similar options, and that the Port provide economic incentives to minimize diesel emissions on Port property. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

C.5 This measure, which originated in the WLUP FEIR, requires the Port to require RMC Pacific Materials's construction contractor(s) to implement a dust abatement program to reduce the contribution of dust from project construction to local PM-10 concentrations during construction. The measure lists a series of specific practices to achieve the dust abatement objective. The measure will be implemented as a condition of the RMC Pacific Materials Lease.

C.6 This measure supplements the dust abatement practices included in Measure C.5 by citing additional practices identified through the SEIR analysis to be implemented as part of RMC Pacific's plant operation: installation and operation of wheel-washing systems; daily street sweeping around aggregate-related plans; and posting of tenant and Port contact information for citizens to call with operational concerns or complaints. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

Hydrology

D.1 To reduce potential water quality impacts associated with runoff from construction activities, this measure requires the preparation and implementation of a Storm Water Pollution Prevention Plan (SWPPP) for construction sites of less than five acres of disturbed area, similar to that required under the statewide General Permit for Storm Water Discharges Associated with Construction Activity. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

D.2 This measure requires that all developers and tenants, including RMC Pacific Materials Lease, implement source control Best Management Practices to minimize the potential for water quality degradation from stormwater runoff associated with site operations, consistent with those identified in the Industrial/Commercial Storm Water Best Management Practices Handbook. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

D.4 This measure, which originated in the WLUP FEIR, requires members of the Industry Group and other project sponsors to implement appropriate Best Management Practices for stormwater pollution prevention through the life of each lease, and to monitor stormwater quality in accordance with requirements of the General Permit for Discharge of Industrial Stormwater. This measure will be implemented, as a condition of the RMC Pacific Materials Lease. The stormwater practices employed by RMC Pacific Materials will also be required to comply with a Southern Waterfront Stormwater Master Plan which is currently being developed by the Port with the services of team of hydrology and stormwater consultants. The Stormwater Master Plan may result in treatments or practices which exceed the requirements of the General Permit for Discharge of Industrial Stormwater.

D.5 This measure requires sponsors of projects located on or adjacent to the Bay to conduct water quality monitoring during construction of faciliteis on or adjacent to the Bay to minimize effects of construction activities on water quality. Site-specific construction methods and precautions, such as limiting activities on days of strong winds, could be included in the contractor's construction specifications to minimize effects on water quality. Demolition of structures with lead-based paint should include physical precautions to ensure that paint dust and chips do not enter the Bay. This measure will be implemented, as applicable, as part of the RMC Pacific Materials Lease, which involves demolition of the existing former fishmeal warehouse, and pile and deck repairs of Pier 92.

Hazards

E.1 To reduce impacts from spills or other releases that may occur with the use of hazardous materials, this measure requires project sponsors to prepare a Hazardous Materials Business Plan for project components involving the use of petroleum products or hazardous materials. This measure also requires preparation of a Spill Control and Countermeasure Plan for any project involving the above-ground storage of petroleum products. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

E.2b To reduce off-site exposure to hazardous substances, this measure requires that where subsurface contamination is identified, the project sponsor will ensure that the affected area will be enclosed with a fence, and warning signs installed, until all remedial activities have been completed. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

E.4 This measure requires hazardous building material surveys for listed contaminants be conducted prior to any development involving the demolition or renovation of existing facilities. If hazardous building materials are found, this measure also requires that they be abated, consistent with regulatory standards. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

Geology, Soils and Seismicity

G.1 This measure, which originated in the WLUP FEIR, requires that a geotechnical investigation be conducted prior to permitting any new construction of facilities or reuse of existing structures for intensified use. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.2 This measure, which originated in the WLUP FEIR, requires the Port to require tenants to carry out various tasks to minimize hazards to building occupants from non-structural damage, such as securing heavy or large overhead equipment to floors and walls. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.4 This measure, which originated in the WLUP FEIR, calls for non-structural building elements to be designed to withstand strong ground shaking and to remain intact. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.5 This measure, which originated in the WLUP FEIR, requires the use of flexible utility connections, automatic shut-off valves for natural gas pipelines, or as otherwise required by the San Francisco Fire Department or Port Fire Marshal. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.6 This measure, which originated in the WLUP FEIR, requires fire extinguishers adjacent to exit doors, consistent with the San Francisco Fire Code. It also requires that employees be trained on how to use the extinguishers. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.8 This measure, which originated in the WLUP FEIR, encourages the Port and its tenants to take feasible steps to minimize potential earthquake safety risks related to hazardous materials in its operations, and identifies specific practices that may be applied to achieve that objective. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.9 This measure, which originated in the WLUP FEIR, calls for tenants to design all facilities for storage of hazardous chemicals in containers to minimize potential hazards in an earthquake, consistent with Fire Department and/or Health Department requirements. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.10 This measure, which originated in the WLUP FEIR, calls for tenants to employ an engineer qualified in earthquake engineering to incorporate all economically feasible engineering methods into the final facility design, to reduce the potential for loss of life-line services. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.11 This measure, which originated in the WLUP FEIR, calls for use of flexible connections for utility lines, back-up supplies of water, telecommunications equipment or other features to minimize hazards from earthquakes or other emergencies. The measure indicates that engineers should be consulted to recommend the appropriate approach to achieving this objective. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.14 This measure, which originated in the WLUP FEIR, calls for all open sub-grade structures and pits, whether temporary or permanent, to provide protection against hazards to people and damage to proposed or nearby structures that could result from buoyant or lateral deforming soils. This measure will be implemented as a condition of the RMC Pacific Materials Lease.

G.15, G.16, G.17 These three measures, which originated in the WLUP FEIR, set forth requirements for analyzing any dewatering plans that may be necessary during site construction, including any pile driving; minimizing dewatering hazards; and posting of bonds or equivalent mechanism to cover the costs of potential damage from construction to off-site property. These measures will be implemented as a condition of the RMC Pacific

Materials Lease, as determined to be applicable based on Port building permit of detailed construction plans.

G.18, G.19 These measures, which originated in the WLUP FEIR requires that prior to dewatering or pile driving, the Port provide a minimum 30 day advance notification to property owners within 200 feet of the demolition or excavation, whichever is the first to occur in a construction project. This mitigation measure would minimize damage associated with subsidence by allowing property owners to comment on the activities and document any damage that may occur. This measure was adopted by the Port Commission, as modified, in 1997. The mitigation measure, as presented in the SEIR, includes the approved 1997 modifications, and will be implemented as a condition of the RMC Pacific Materials Lease if dewatering or pile driving will be conducted during project construction.

C. Mitigation Measures Adopted with Modifications as a Condition of the RMC Pacific Materials Lease

The following SEIR mitigation measures are included as a condition in the RMC Pacific Materials Lease, with modifications, with accompanying explanations for the modifications.

Transportation and Air Quality

B.3 Implementation of the Illinois Street Intermodal Bridge proposed by the Port would improve operating conditions at Third Street and Cargo Way to acceptable levels of service, and reduce the Project's contribution to significant air quality impacts, compared to conditions without the proposed bridge. Implementation of this measure is dependent on the Port's ability to secure all applicable regulatory approvals for the Bridge, and the remaining funding necessary to cover the cost of construction and installation. The Port's fundraising efforts would be in part met through financial contributions from RMC Pacific Materials Lease to a Port fund for Infrastructure Improvements, required as a condition of the RMC Pacific Materials Lease. Thus, this measure is adopted in modified form, by providing that RMC Pacific Materials Lease will make a specified contribution toward the cost of construction of the Bridge. However, the contributions from RMC Pacific Materials Lease alone would not realize the construction of the Illinois Bridge.

C.4a To regulate the total quantity of air emissions from the concrete and asphalt industry operations, this measure requires that any lease for concrete or asphalt batching operations on Port property, including RMC Pacific Materials Lease, include a provision setting forth the maximum production volume allowed to ensure that such production level, combined with production levels by other concrete and asphalt batch plant operators with leases on Port property, are consistent with the assumed volumes, and associated transportation and air quality impacts analyzed in the SEIR. The measure also requires the Port to require annual audited accounts of RMC Pacific Materials Lease and any other batch plant operators to be incorporated into an annual report to the Port Commission. The measure also states that any increases above the production levels stipulated in the lease require a lease amendment, which would be subject to further environmental review.

This mitigation measure will be implemented in modified form, as a condition of the RMC Pacific Materials Lease. Rather than assigning a specific, quantified production limit to each concrete or asphalt operator as recommended, the Port will require monthly reporting of the amount of concrete or asphalt that has been produced from all operators, to monitor the overall production volumes generated relative to the levels analyzed in the SEIR. The SEIR analysis assumes concrete production levels of 650,000 cu yds per year in 2003, growing to 850,00 cu.yds. per year in 2015. SEIR assumptions regarding asphalt production levels are 400,000 tons per year in 2003, and 550,000 tons per year in 2015. The monthly concrete or asphalt production reports will be required as a condition of each lease, including the RMC Pacific Materials Lease. Each lease will stipulate that if the overall production levels exceed the levels assumed in the SEIR, all concrete or asphalt operators will be required to halt their operations or be in default of their respective leases. Production levels exceeding the SEIR levels will not be allowed unless further environmental review is completed, which could result in the implementation of additional required mitigation measures. It is anticipated that the required monthly reporting will facilitate a rational monitoring process by the Port, because the Port will alert the operators if trends suggest that the overall production limits assumed in the SEIR could be exceeded. Such advance knowledge would enable the Port and operators to reduce production, or initiate further environmental review early on to minimize or avoid disruptions in operations.

The concrete and asphalt production levels assumed in the SEIR were used to generate the projections of truck trips, ship calls and rail activity presented in the SEIR analysis, and the associated transportation and air quality impacts. As a result, production volumes monitoring is a tool to monitor transportation and air quality impacts. Concrete and asphalt plant operations both generate impacts from dust, truck trips, rail and ship calls. Asphalt plants also are stationary sources which generate Reactive Organic Gases (ROG) and Nitrogen Oxide (Nox) emissions that are not generated by concrete batch plants. As a result, production volumes of concrete plant operators (and the associated transportation and air quality impacts) could exceed the concrete production levels assumed in the SEIR if there is a commensurate reduction in asphalt production, without exceeding the overall production volumes and impacts assumed in the SEIR. Conversely, asphalt plant operations could not exceed the asphalt production levels assumed in the SEIR if the associated ROG and Nox emissions from the plant operations would exceed the levels analyzed in the SEIR.

Hydrology

D.3 This measure requires that stormwater runoff from new or redeveloped facilities located outside the City's combined sewer system provide treatment so that there is no direct, untreated discharge to the Bay or Islais Creek. This measure is modified to clarify that the runoff will be treated prior to discharge as needed to meet water quality objectives for stormwater, and that there will be no direct, untreated discharge of stormwater exceeding water quality objectives to the Bay or Islais Creek. The measure, as modified, will be implemented as a condition of the RMC Pacific Materials Lease.

Hazards

E.2a This measure contains a discussion of site mitigation report requirements to comply with Article 22A, "Analyzing the Soil for Hazardous Wastes", and includes reference to a site

mitigation report that has already be prepared for a separate project sponsored by Bode Gravel and Mission Valley Rock Companies, which is unrelated to the RMC Pacific Materials Lease. As a result, this measure is adopted, as modified, to clarify that all applicable requirements under Article 22A will be implemented by RMC Pacific Materials.

Biological Resources

F.1b This measure would limit dreding and pier repair/replacement to between March 1 and November 30 to eliminate any potentially significant impacts of dredging or pier repair/replacement on the Pacific herring fishery. In exceptional cases where dredging operations or major pier repair/replacement operations (beyond routine maintenance) must conflict with the herring season, the project sponsor(s) would consult with the permitting agencies, including but not necessarily limited to the U.S. Army Corps of Engineers, Bay Conservation and Development Commission, State Department of Fish and Game, and Regional Water Quality Control Board. This measure has been modified to apply to pier repair/replacement only, because there is no dredging proposed as part of the RMC Pacific Materials Lease. This measure, as modified, will implement this measure as a condition of the RMC Pacific Lease.

Geology, Soils, and Seismicity

G.3 This measure calls for high-occupancy facilities to store emergency response supplies and equipment on-site for a 72-hour reserve. This measure focusses on facilities that employ large numbers of workers, or attracts large numbers of visitors, and suggests that medical supplies such as stretchers, loud speakers and heavy tools be stored on-site in addition to blankets, flashlights and at least 72 hours' worth of potable water and non-parishable food supply. The RMC Pacific Materials Lease is neither a high employment generator nor a visitor attraction. Nevertheless, a 72 hour supply of potable water, food and basic medical supplies and tools should be stored to meet the needs of its employees. This measure, therefore, will be implemented in a modified, scaled down form as a condition of the RMC Pacific Materials Lease.

G.21 This measure requires that sites of all demolished buildings be left in a condition that will not pose a life safety hazard or potential to damage adjacent properties. This measure has been modified to assign those responsibilities, as they relate to demolition of the former fishmeal warehouse at Pier 92, to RMC Pacific Materials, which will be implemented as a condition of the RMC Pacific Materials Lease.

D. Mitigation Measures Within the Jurisdiction of Other City Agencies

The Port Commission finds that the mitigation measure set out below, as it appears in the SEIR falls within the jurisdiction of the Department of Parking and Traffic (DPT). The Commission determines that such measure should be carried out by DPT or MUNI at the appropriate time, and can and should be adopted by DPT. The Port has reviewed SEIR Mitigation Measure B.1 below with staff of the DPT and MUNI, which determined that these signal and traffic improvements appear to be feasible. The Secretary of the Port Commission is hereby directed to transmit copies of these measures to DPT.

Transportation

B.1 This mitigation measure identifies various roadway and signalization improvements to improve levels of service projected to occur by the year 2015 (but after 2003) at the following intersections during the a.m and/or p.m. peak hour: Third/25th Streets; Illinois/25th Streets; Pennsylvania/I-280 (Southbound) on-ramp; Pennsylvania/Cesar Chavez Streets; Third/Cesar Chavez Streets; Illinois/Cesar Chavez Streets, and Amador Street/Cargo Way. New signals called for in these mitigation measures for the intersections of Illinois/25th Streets, Illinois/Cesar Chavez Streets, and the restriped eastbound and westbound lanes at Illinois/Cesar Chavez to provide the suggested land reconfigurations will be implemented as part of the MUNI Third Street Light Rail project. The signal improvement at Amador Street/Cargo Way would be implemented by the Port as part of the construction of the Illinois Rail and Truck Bridge. The Port has consulted with MUNI and DPT regarding the feasibility of the remaining improvements described in this mitigation measure. At this time, there is no secured funding for the signal installation at Pennsylvania/I-280 SB or right-of-way acquisition to accommodate the lane configuration proposed for Third and Cesar Chavez. In addition, the final configuration of the 3rd/25th Street intersection regarding the left-turn lane will require further discussion with DPT, MUNI and Planning Department. While it is not possible to determine definitively at this time whether these measures will be implemented if they are required by development, the measures appear to be feasible. As a result, the Port Commission recommends that the Department of Parking and Traffic implement the remaining improvements described in this measure, as modified, to clarify that these measures be carried out by DPT only if future traffic analysis indicates the need for the roadway or signalized remedies described in this mitigation measure. Furthermore, the Port Commission recommends that the Port work in close coordination with DPT, MUNI and the Planning Department to ensure that the intersection improvements at 3rd/25th Streets, and 3rd/Cesar Chavez Streets balance and optimize maritime, MUNI light rail as well as vehicular circulation. The Commission also acknowledges that the Port may be required to share in the capital cost of implementing those mitigation measures that are not carried out as part of the Third Street Light Rail or Illinois Street Intermodal Bridge projects, if it is demonstrated that Port-related development generates significant contributions to unacceptable levels of service at Third/25th Sts., Pennsylvania/I-280 SF on-ramp, Pennsylvania/Cesar Chavez St, or Third/Cesar Chavez Streets.

E. Mitigation Measures Rejected and the Reasons for Rejection

Chapter IV, Section J of the SEIR. (pp. 161 – 164) is entitled "Measures From the 1997 Waterfront Plan FEIR Not Applicable to the Project Analyzed in this SEIR". They include Transportation; Visual Quality; Geology, Soils and Seismicity measures that pertain to Port property north of the Project Area. As a result, these measures are rejected as inapplicable to the Southern Waterfront projects, including the RMC Pacific Materials Lease.

In addition, the Port Commission finds that certain of the SEIR mitigation measures are not applicable to the uses or activities proposed in the RMC Pacific Materials Lease, and thus are rejected. Each mitigation measure is followed by a statement of the reasons why it is rejected.

Transportation

B.2 This measure requires the Port to develop a Transportation Systems Management (TSM) Plan, and potentially a Transportation Management Agency (TMA) at such time as specific mixed use or other non-industrial projects generating more than 100 daily vehicle trips are approved and occupied at the Pier 70 Mixed Use Opportunity Area and the Pier 90-94 backlands. Neither the use program nor site locations are consistent with the RMC Pacific Materials Lease. Therefore this measure is rejected because it is not applicable.

B.5 This measure requires the Port to require and/or institute Transportation Demand Management Programs (TDM) among developers of major trip generators, as a condition of lease approval, for projects such as new development at the Pier 70 and 90-94 backlands. The TDM would typically target primarily commute trips and would encourage carpools, vanpools and public transit use to reduce trips made by low-occupant private vehicles. The vehicle operations and employee trips associated with the RMC Pacific Materials Lease would not reflect the travel conditions that this measure seeks to mitigate. The majority of daily trips projected in the SEIR from Bode operations would be trucks (453 trucks in 2015), which are not conducive to ridesharing. In addition, the SEIR projects 30 employee vehicle trips, of which only seven trips are projected to occur in each of the a.m. and p.m. peak hours. This low volume of employee trips would not render a successful TDM. For the reasons described, this measure is rejected as non-applicable to the RMC Pacific Materials Lease.

Air Quality

C.2 This measure requires drum mixer controls in asphalt batch plants, a product which is not proposed in the RMC Pacific Materials Lease, and which is therefore rejected as non-applicable.

C.4 This measure requires the Port to develop a Transportation Systems Management (TSM) Plan and potentially a Transportation Management Agency (TMA) at such time as specific mixed-use or other non-industrial projects generating more than 100 daily vehicle trips are approved and occupied at the Pier 70 Mixed-Use Opportunity Area and the Pier 90-94 backlands. Neither of these types of developments or site are included in the RMC Pacific Materials Lease. Therefore, this measure is rejected as non-applicable to the RMC Pacific Materials Lease.

Biological Resources

F.1a This measure establish conditions under which dredging or construction of the Illinois Street Intermodal Bridge could be limited to avoid impacts on the Pacific herring fishery. This measure is rejected because it does not apply to RMC Pacific Materials Lease.

F.2 This measure requires bat surveys during specified times of the year prior to demolition or renovation of any abandoned building. The former fishmeal warehouse proposed for demolition is not abandoned, and is currently used on a short-term basis for storage. Thus, this measure is rejected as being non-applicable.

Geology, Soils and Seismicity

G.7 This measure requires tenants to prepare earthquake preparedness and response plans for uses with more than 100 employees, and public uses accommodating more than 100 persons. Neither of these conditions applies to RMC Pacific Materials Lease, and therefore this measure is rejected as non-applicable.

G.20 This measure calls for proposed new dredging activities be reviewed by an engineering geologist to assess potential hazards to Port facilities. There is no dredging proposed in the RMC Pacific Materials Lease, and therefore this measure is rejected as non-applicable.

Historic Architectural Resources

H.1 This measure calls for review by a qualified historic preservation architect for proposed renovation plans for Building 6 at Pier 70 prior to issuance of any demolition or building permit for reuse of the building. The RMC Pacific Materials Lease does not include this or any buildings in the Pier 70 area. Therefore, this measure is rejected as non-applicable.

Archaeological Resources

I.1 This measure requires that an archaeologist be retained to prepare a brief preliminary site-specific evaluation or letter report assessing the archaeological sensitivity of a development site, if the project involves excavation or substantial soil disturbance of greater than four feet in depth. The measure also includes a description of the steps that could be taken, as determined through consultation between the archaeologist and the Environmental Review Officer, if further study is necessary and/or archaeological deposits are discovered. The RMC Pacific project would not involve excavation to such depth, which is acknowledged in discussion of Mitigation Measure I.1, and thus is not applicable to the RMC batch plant.

F. Adoption of a Mitigation Monitoring and Reporting Program

The Port Commission hereby adopts a Mitigation Monitoring and Reporting Program (MMRP) as required by Section 21081.6 of the Public Resources Code. The MMRP is attached as Exhibit 2 and incorporated in this document by reference. The purpose of the MMRP is to determine the stage at which each of the adopted mitigation measures must be imposed to ensure that the measure is carried out by the responsible official or entity, or if the obligation lies with a private entity, that the City enforces the obligation.

RMC Pacific Materials and the Port will implement the majority of the mitigation measures. RMC Pacific Materials will implement most of the measures as a condition of its lease, with the Port enforcing the lease conditions. The Port will have responsibility for implementing other measures as part of its implementation of the Waterfront Land Use Plan. The Port Commission in 1997 previously adopted most of these measures, some of which have been implemented, as described above. The Department of Parking and Traffic will implement intersection improvements identified in measure B.1.

V: FINDINGS REGARDING ALTERNATIVES IN THE SEIR

As described in Section III above, the SEIR encompasses a broad range of activities. The SEIR analysis evaluates proposed, site-specific leases and Port improvement projects; and possible future development or uses that could emerge in response to changes in market conditions, and Port planning and development efforts underway (e.g. Pier 70 Mixed Use Opportunity Area, Pier 90-94 Backlands). The RMC Pacific Materials Company Lease is the only proposed use that is being considered for approval by the Port Commission in these findings.

As a result, these findings focus on the Commission's consideration of the environmental impact information in the SEIR and SEIR Addendum, dated April 18, 2003 relevant to the concrete plant operations proposed in the RMC Pacific Materials Lease. Pursuant to CEQA Guidelines, these Findings must consider, and adopt or reject the alternatives analyzed in the SEIR. As indicated above in Section III and discussed further below, the SEIR Project and the SEIR alternatives consider overall development scenarios in the Southern Waterfront area. They do not focus specifically on the concrete production use proposed in the RMC Pacific Materials Lease. Development proposals for uses other than the RMC Pacific Materials Lease, other "Industry Group" uses, the Illinois Street Intermodal Bridge, or the Port's dredged materials storage facility would be subject to separate, future CEQA Findings and actions by the Commission and applicable regulatory agencies. As a result, the Commission's careful consideration and rejection of the SEIR alternatives, as explained below, is based on its consideration only of the proposed RMC Pacific Materials Lease. These Findings do not attempt to assess the overall merits or shortcomings of the SEIR Alternatives as compared to the SEIR Project, or those of other individual leases or activities that may be considered for approval by the Commission in the future.

A. Reasons for Selecting the RMC Pacific Materials Lease as described in the SEIR Project

After consideration of all the information in the SEIR, the Port Commission selects the RMC Pacific Materials Lease, as described in the SEIR Project Description. The proposed concrete batch operation would generate a demand for dry bulk aggregates shipped through the Port's terminals, thereby helping to maintain or enhance the Port's cargo and maritime commerce objectives pursuant to its Burton Act public trust responsibilities. In addition, the RMC Pacific Materials Lease would meet other related Port objectives as stated in the SEIR. These objectives and the aspects of the RMC Pacific Materials Lease that will further these objectives are described below.

- Diversify the Port's marketing efforts to increase utilization of its cargo terminals. The RMC Pacific Materials Lease will foster an increase in marine terminal import of aggregates for the concrete plant, thereby increasing the productivity of Port assets.

  In addition, the location of a concrete batch plant facility at Pier 92 would enhance the viability of dry bulk cargo shipping at Piers 92 and 94. In 2000, the Port Commission approved a marine terminal agreement with Hanson Aggregates to operate a portion of the Pier 94 terminal for dry bulk aggregate shipments from Canada. While Pier 92 and some of the Port's facilities have been in use as terminals for sand that is reclaimed from the

Bay, its attractiveness as a dry bulk terminal for imported aggregates is a relatively new development. In large part, it is due to the high number of major construction and transportation projects in or near San Francisco; diminishing local supply of aggregate materials used in concrete and asphalt production; and the increasingly costly constraints of the region's congested highways on truck transport, which have increased the commercial viability of ship and freight rail transport.

The location of aggregate-based businesses such as RMC Pacific Materials Lease's concrete batch plant would establish a stable source of demand to maintain and increase dry bulk shipping through the Port's terminals. By increasing the viability of dry bulk cargo, the Port will achieve a more diversified cargo portfolio that is less dependent on, or negatively impacted by, the often volatile changes the Port has experienced in marketing its facilities for container cargo business. Like the stock market, the Port will be better able to stabilize the its cargo revenues if it diversifies its container and non-container shipping contracts.

- Increase utilization of freight rail. The co-location of businesses like RMC Pacific Materials near the Port's terminals could increase demand and service by freight rail, which in turn would enhance the Port's attractiveness and service to cargo customers who require or value freight rail service to Port facilities.

The RMC Pacific Materials Lease, as proposed for approval, would also best achieve the Industry Group's Objectives identified in the SEIR as explained below.

- Retain existing operations within San Francisco to allow continuing provision of ready-mix concrete in close proximity to sources of demand, and to avoid potential increased transportation costs and impacts that would result if RMC Pacific Materials had to relocate outside the City. RMC Pacific Materials currently operates a ready-mix concrete plant on non-Port property north of the proposed site, in the Mission Bay area. RMC Pacific Materials must relocate because its current site is included in the approved Mission Bay South Redevelopment Plan for development of R&D/office use. The proposed lease will allow RMC Pacific Materials to maintain its ready-mix concrete plant in San Francisco.

- Facilitate ship-borne import of construction materials. The RMC Pacific Materials Lease provides for use of the Port's terminals for the importation of aggregate used in the production of concrete.

- Co-locate in proximity to aggregate imports at the Port to achieve maximum efficiency in import, distribution, and handling of construction aggregates. The RMC Pacific Materials Lease provides for marine import of aggregate adjacent to the ready-mix concrete plant, thus reducing the number and distance of truck trips and their associated impacts.

- Retain existing employment in San Francisco, including residents in the southeast part of the City. The relocation of the current RMC Pacific Materials ready-mix concrete plant

within San Francisco, will allow retention of about ___ employees, which currently includes about ___ who reside in the southeast part of San Francisco.

B. Alternatives Rejected and Reasons for Rejection

1. Alternative A: No Project Alternative

The No Project Alternative is rejected because it would not allow any concrete production operations in the Southern Waterfront. As such, the No Project Alternative would not meet the Port or Project Sponsor objectives described above.

While dry bulk shipping terminals could occur under the No Project Alternative, this alternative precludes the ability of the Port to locate aggregate-based businesses such as RMC Pacific Materials Lease, which would establish a stable source of demand to maintain and increase dry bulk shipping through the Port's terminals.

2. Alternative B: Reduced-Scale Alternative

Alternative B assumes that concrete production operations, such as proposed in the RMC Pacific Materials Lease, will occur on Port property, although with lower production levels than assumed in the Project. In this alternative, concrete production would be kept to the levels assumed in the SEIR's year 2003 analysis. This limit on production volume would be counter to the objectives of RMC Pacific Materials Lease, which seeks a lease term potentially extending to 2028 and thus the higher production capability, assumed in the SEIR's 2015 analysis. The higher production levels are necessary to enable RMC Pacific Materials the flexibility, within the confines of the SEIR analysis, to respond to potential growth in demand for concrete over the long term. The concrete industry is subject to occasional, unanticipated spikes in demand, such as experienced in the past three years when concrete consumption reached unprecedented levels. Demand for concrete is expected to stay strong, in light of large, nearby public infrastructure projects planned for implementation such as the new Bay Bridge east span, and MUNI's Third Street Light Rail project. In addition, changes in construction economics and technologies present the potential for constructing new buildings with a higher percentage of concrete content than in the past. Traditionally limited to foundations and building floors, today concrete also is being used in the structural framing of new buildings, reducing the amount of steel needed and thus construction costs. The Port Commission finds that limiting production 2003 levels would not allow the flexibility needed to respond to market fluctuations that may at times exceed 2003 estimated demand.

Alternative B also would not respond to the Port's objectives of maximizing cargo business through its terminals. The location of RMC Pacific Materials's concrete batch plant on Port property secures cargo business better than concrete plants located elsewhere in or outside of San Francisco, because ship, barge, and freight rail transport options are directly available and thus more likely to be utilized. If market demand for concrete exceeds the levels assumed in the SEIR's 2003 analysis, the excess demand most likely would be absorbed by other concrete companies that would rely exclusively on truck transportation. This not only would mean a

missed cargo business opportunity for the Port, it would also mean higher volumes of trucks -- and corresponding levels of traffic congestion and air emissions -- on City streets and highways.

For the reasons stated above, the Port Commission rejects Alternative B.

3. Alternative C: Residential Use Future Scenario Alternative

Alternative C is the same as the SEIR Project, except that it assumes residential use in the mix of uses assumed in the Pier 70 Opportunity Site. As a result, it has no bearing on or applicability to the proposed RMC Pacific Materials site or operation.

VI: SIGNIFICANT ADVERSE ENVIRONMENTAL IMPACTS

The SEIR Project and RMC Pacific Materials Lease include many aspects and features that reduce or eliminate environmental impacts that could be otherwise significant. Nonetheless, the uses analyzed in the SEIR, which includes the concrete production activity proposed in the RMC Pacific Materials Lease, would result in significant, unmitigable traffic congestion at selected local intersections. The Project also would result in total Project emissions of criteria air pollutants on a region-wide basis that would exceed Bay Area Air Quality Management District project-specific thresholds and would therefore be considered significant and unmitigable, and would contribute to potentially significant cumulative air emissions from existing (unquantified) and possible future (unknown) sources in the greater site vicinity.

Specifically, traffic congestion at four intersections would not be mitigable with the addition of traffic from both phases of the SEIR project in 2015. These intersections are:

- Mariposa Street/I-280 southbound on-ramp (LOS Fin a.m. peak hour; LOS E in p.m.peak hour);
- Mariposa Street/I-280 northbound off-ramp (LOS F in a.m. peak hour; LOS E in p.m. peak hour);
- Third/Mariposa Streets (LOS E in a.m. and p.m. peak hours) and
- Evans Avenue/Cesar Chavez Street (LOS E in a.m. peak hour).

Project-generated maximum daily emissions of reactive organic gases (ROG), nitrogen dioxide (Nox), and respirable particulates (PM-10) from all project components combined would exceed the significance threshold of 80 pounds per day in both 2003 and 2015. The significance threshold for annual emissions of 15 tons per year would also be exceeded for Rog and Nox in each year. Therefore, the project would result in a significant effect with regard to emissions of criteria pollutants. This significant impact would occur regionally, and would not be directly reflective of local conditions in the immediate vicinity of the project. (As discussed in the local air quality analysis on p. 89, localized emissions concentrations would not be significant). This significant regional impact cannot be reduced to a less-than-significant level because of the magnitude of the project.

The Project would also contribute to a potentially significant cumulative regional impact on air quality because daily and annual volumes of criteria pollutants would exceed Bay Area Air Quality Management District (and SEIR) project –specific significance thresholds as described above. Locally, cumulative PM-10 and diesel particulate cannot be quantified because of the multitude of existing sources. Therefore, to be conservative, these emissions are deemed cumulatively significant, although the project itself would not have a significant effect with regard to local concentrations of PM-10 or diesel particulate.

The significant, unavoidable impacts listed in the SEIR and recited above assume implementation by the Port and other City agencies of the mitigation measures recommended for adoption as set forth above, to reduce potentially significant impacts. The Port Commission has made a determination that these measures can and should be implemented and in so determining, has found that the measures are feasible and implementable through the RMC Pacific Materials Lease approvals, existing Port programs implementing the Waterfront Land Use Plan, and normal operations of the Department of Parking and Traffic. In addition, the Port Commission has taken responsibility for securing funding and approvals to implement the Illinois Street Bridge, a mitigation measure identified in this SEIR.

However, to the extent that the mitigation measure within the jurisdiction of the Department of Parking and Traffic is not adopted, or the Illinois Street Intermodal Bridge cannot be fully funded or constructed by the Port, the following additional significant impacts could occur, depending on the nature of the mitigation measures that are not implemented: additional and increased traffic congestion impacts at the intersections of Third and Cargo Way (in year 2003 and 2015); Third and 25th Streets (in year 2015); Pennsylvania/I-280 SB on-ramp (in 2015); Third and Cesar Chavez Streets (in 2015); Illinois and Cesar Chavez Streets (in 2015); and Amador Street and Cargo Way (in 2015); and air quality. There are no specific, feasible mitigation measures available other than those identified in the SEIR, to reduce these impacts to a level of insignificance.

For the reasons stated above, the Port Commission finds that the RMC Pacific Materials Lease incorporates all feasible mitigation measures and has eliminated or substantially lessened all significant effects on the environment where feasible. The remaining effects listed above are found by the Port Commission to be acceptable due to the overriding considerations set forth below.

VII: STATEMENT OF OVERRIDING CONSIDERATIONS

The Port Commission finds that the following social, economic, technological and other considerations and benefits warrant approval of the RMC Pacific Materials Lease notwithstanding any remaining unavoidable or unmitigated effects to which it would contribute. The Commission finds that each of the overriding considerations set forth below constitutes a separate and independent basis for finding that benefits of the RMC Pacific Materials Lease outweigh the unavoidable adverse environmental effects, and is an overriding consideration that warrants approval of the RMC Pacific Materials Lease. In addition, the

Port Commission finds that the Alternatives and Mitigation Measures applicable to the RMC Pacific Materials Lease that are either partially or totally rejected also are rejected for the following economic, social or other considerations, in and of themselves, in addition to the specific reasons discussed above. These matters are supported by evidence in the record that includes, but is not limited to, the documents referenced in Article II.

1. The RMC Pacific Materials Lease will support and strengthen the Port's cargo business. The RMC Pacific Materials Lease is a maritime industrial use that is compatible with existing ongoing cargo activities at Piers 92, and 94-96. RMC Pacific will become a valuable Port maritime tenant because it will directly import aggregate materials by vessel to its batch plant facilities. By locating at the Port, RMC Pacific will also increase on-site market demand for rail shipments of raw materials. RMC Pacific Materials's operations will support the Port's maritime operations in one or more of the following ways: 1) as a direct customer of shipping companies that import dry bulk/aggregate through the Port's terminals; 2) as a direct dry bulk cargo importer; and 3) as a business that relies on or benefits from continued increased freight rail service to the Port. The Port's current dry bulk operators are Hanson Aggregates, which operates a sand facility and an aggregate import operation on the Pier 94 terminal; and Mission Valley Rock, which operates a sand facility at Pier 92. RMC Pacific Materials can serve as an important customer for these existing operations. RMC Pacific Materials can also act as a direct cargo customer to the Port by receiving aggregates from other sources by barge. In addition, RMC Pacific Materials would increase the number and critical mass of businesses that rely on or could benefit from continued or increased freight rail service to the Port, which in turn would improve the utility of the Port's terminals and facilities and thus enhance the Port's cargo marketing efforts.

2. The RMC Pacific Materials Lease incorporates state-of-the–art environmental mitigations. RMC Pacific Materials will improve existing conditions by installing site improvements that preclude any storm water discharge that exceeds water quality objectives. The site improvements and new plant facilities include numerous dust control measures to minimize stationary and mobile source-generated particulate emissions, including complete enclosure of the concrete manufacturing system, wheel wash facilities, spray bars to maintain moisture content of raw materials, and installations of barriers and/or enclosures to reduce dust emissions dispersed by the wind. Because of the mitigation measures that would be implemented under its lease, RMC Pacific Materials's operation itself would not generate any significant adverse environmental effects.

3. RMC Pacific Materials Lease is an existing San Francisco business, that has and will continue to employ residents from the southeast area of the City. The Port Commission believes it is important to preserve local business and employment opportunities, especially for industrial businesses that have an increasingly difficult task of maintaining economically viable operations in San Francisco. In recent years, real estate prices have increased significantly due to development of competing, non-industrial uses, which have reduced the amount of available, affordable industrial land

in San Francisco. RMC Pacific Materials must relocate because its current site is approved for new development under the Mission Bay South Redevelopment Plan. RMC Pacific Materials has few site options in San Francisco, and could face relocation outside of San Francisco if it cannot relocate to the Pier 92 area. These facts, combined with the maritime commerce benefits that RMC Pacific Materials would bring to the Port as described in Section VII, Item 1 above, point to the merits of approving the RMC Pacific Materials Lease, because of the mutual benefits that would be generated for the Port and RMC Pacific Materials.

Planning/southern waterfront/Pier 92-RMC Pacific/ 4-15-03 dyo RMC CEQA Findings

EXHIBIT 1

SEIR MITIGATION MEASURES REQUIRED AS CONDITIONS OF THE RMC PACIFIC MATERIALS LEASE

The following contains the full text of the Southern Waterfront Supplemental EIR (SEIR) mitigation measures, which, unless otherwise explained in the CEQA findings, are required as conditions of the RMC Pacific Materials Lease (approved by Port Commission Resolution 03-37, May 13, 2003). Some of the SEIR mitigation measures are required under the RMC Pacific Materials Lease in modified form, which are shown with additions underlined and ~~deletions struck through~~.

B. TRANSPORTATION

B.3 The Illinois Street bridge that is proposed by the Port would improve operating conditions at Third Street and Cargo Way to an acceptable level of service (LOS C in the a.m. peak hour and LOS D in the p.m. peak hour), compared to conditions without the proposed bridge. This mitigation measure will be implemented in part by financial contributions towards the construction cost of the Bridge provided as a condition of the RMC Pacific Materials Lease.

C. AIR QUALITY

Measure B.3, above, would reduce but not eliminate the project's contribution to potentially significant air quality impacts. The mitigation measures in this section would further reduce but not eliminate the project's contribution to potentially significant air quality impacts.

C.1 Each of the Industry Group construction aggregate industry project components, which would represent "stationary sources" of particulate emissions, shall include "best available control technology" (BACT) to control emissions, consistent with current regulations. For aggregate-handling operations (Bode Gravel, Mission Valley Rock, RMC Pacific, British Pacific Aggregates), this includes maintaining a moisture content in the aggregate that is high enough to eliminate PM-10 "fugitive" emissions (wind-blown dust that could otherwise escape into the surrounding air). A water spray system shall be installed at each aggregate-handling facility, including Bode Gravel, Mission Valley Rock, RMC Pacific, and British Pacific Aggregates. Fine aggregate material (sand) shall be maintained with a moisture content of approximately 5 percent, because such material with a moisture content of 4.5 percent or more produces virtually no fugitive emissions. Coarse aggregate (gravel) shall be kept damp on the surface, which would also effectively eliminate fugitive dust. Aggregate shall be stored in bunkers at ready-mix and asphalt plants, rather than open piles, with water spray (including the use of surfactants, as necessary, to bind the water and dust to the aggregate) applied to maintain adequate moisture content to control emissions at both production and shipping/storage operations.

C.3 Consistent with the City's Clean Air Program (established by Ordinance 258-99, adopted October 15, 1999), it is City policy to "foster, promote, and encourage the use of low emission [alternative fuel vehicles] and [zero emission vehicles] by developing

infrastructures to support the use of these vehicles." Under the ordinance, the City is to (1) assess the need for a network of natural gas fueling stations accessible to the public; (2) site and develop at least five such facilities, by public and/or private entities; (3) install 50 publicly accessible electric vehicle charging stations in City garages, lots, or other sites; (4) develop a plan for additional charging stations and related infrastructure; (5) buy and lease ultra-low and zero emission vehicles for City department use; (6) identify and convert diesel bus lines to electric service; (7) develop a plan to phase out older diesel buses; (8) develop a plan and incentives to encourage larger private vehicle fleets to convert their fleets to very low or zero emission vehicles; and (9) develop a car sharing program in high density neighborhoods.

Consistent with the City's Clean Air Program, the Port shall require that all tenants make a good faith effort to engage in operational practices sensitive to the environment and the neighboring community. In furtherance of this, the Port shall require that tenants operating a fleet of vehicles investigate the potential for use of low- or zero emission vehicles and implement measures to reduce vehicle emissions to the maximum feasible extent. Options may include, but not necessarily be limited to, the use of low-emission diesel fuel (including low-sulfur diesel); the use of catalytic particulate traps for diesel-powered engines that are currently under study by the California Air Resources Board; the use of other emerging technologies to reduce diesel particulate emissions; and use of electric vehicles. The Port shall also require that tenants operating diesel-powered stationary equipment investigate similar options. Tenants shall investigate retrofitting existing engines and purchase of new engines. The Port shall further require that tenants who work with independent trucking contractors encourage those contractors to make similar efforts, including, if reasonably feasible, providing such truckers with economic incentives to retrofit equipment or take other measures as may be necessary to use low-emission fuels. As an economic incentive to minimize diesel emissions from Port property, the Port shall contribute towards the incremental costs incurred by its tenants for Port-approved equipment and improvements in furtherance of this measure. Finally, the Port shall establish a schedule by which tenants described above shall report to the Port on progress in investigating reduced-emission engines.

C.4A To regulate the production of concrete or asphalt material consistent with the volumes analyzed in the Southern Waterfront SEIR, RMC Pacific Lease and any other lease for concrete or asphalt batching operations on Port property shall include a provision ~~setting forth the maximum production volume allowed under the lease~~ requiring monthly reports to the Port of the amount of concrete or asphalt produced for the prior month, to enable the Port to monitor the overall amount of concrete and asphalt production levels such that the cumulative total of production volumes of such batching operation leases shall not exceed the volumes assumed and analyzed in the SEIR.

~~To monitor production volumes that may occur on Port property, the Port shall require as a condition of each lease that each tenant provide annually an audited account of the concrete and/or asphalt production volumes provided by each concrete or asphalt production business. The Port shall incorporate this information in an annual report to the Port Commission.~~

~~Should any existing tenants propose to increase production above the amounts stipulated in the lease, such change would require an amendment to the lease, and would be subject to further environmental review by the San Francisco Planning Department's Major~~

~~Environmental Assessment (MEA) division.~~ If the cumulative total of production volumes of the concrete and/or asphalt batch plants exceed the levels assumed in the SEIR, the Port will order all such batch plant operations to be halted. Refusal to comply with the Port's order to halt will place the tenant in default of the lease. Overall production levels shall be reduced to volumes consistent with the SEIR analysis. Alternatively, if production levels higher than those assumed in the SEIR are proposed, such increased activity will be subject to additional environmental review by the San Francisco Planning Department's Major Environmental Assessment (MEA) division, and all feasible mitigation measures implemented prior to the Port's allowance of the increased production activity. In determining whether further environmental impact analysis will be required, MEA will consider the production levels cited in the Port's report and any emission-reducing improvements that may have been incorporated into the on-site operations (stationary sources), and trucks and other vehicles associated with the operations (mobile sources).

C.5 The Port shall require that project sponsors direct construction contractors to implement a dust abatement program to reduce the contribution of project construction to local PM-10 concentrations during the construction period. Elements of this program, which are currently applied to all Port tenants, include the following:

- Water internal roadways and unpaved construction areas just prior to the morning and evening peak traffic periods (to limit the potential for major roadway traffic to entrain dust), limit speeds to 10 mph, and sweep paved internal roads after the evening peak period.

- In addition, water active sites (e.g., where demolition, excavation or other earth work is underway) at least twice per day. Increase the frequency of watering when wind speeds exceed 15 miles per hour. Suspend all excavating and grading operation when instantaneous gusts exceed 25 miles per hour.

- Replace ground cover in disturbed areas as quickly as possible.

- Enclose, cover, water twice daily, or apply soil binders to exposed stockpiles of sand, gravel, and dirt.

- Install gravel at construction equipment entrances to unpaved areas to prevent tracking of dirt and mud onto streets.

- Sweep paved access roads, parking areas, and construction staging areas, at the end of day (with water sweepers), and sweep adjacent City streets if any visible soil material is carried over to these streets.

- Cover all trucks hauling dirt, sand, soil, or other loose materials. Maintain at least six inches of freeboard between the top of the load and the top of the trailer.

- Sweep up dirt or debris spilled onto paved surfaces immediately to reduce resuspension of particulate matter through vehicle movement over these surfaces.

- Designate a person or persons to oversee the implementation of a comprehensive dust control program and to increase watering, as necessary.

- Maintain and operate construction equipment so as to minimize particulates from exhaust emissions. During construction, require contractors to operate trucks and equipment only when necessary. Equipment should be kept in good condition and well-tuned, to minimize exhaust emissions.

Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsor shall require that the contractor(s) obtain reclaimed water from the Clean Water Program for this purpose.

This mitigation measure also would reduce demolition-related impacts regarding lead paint chips/lead dust. The project sponsor shall also be required to comply with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint, enforced by the San Francisco Department of Building Inspection.

C.6 Consistent with the construction-period dust abatement program described in Mitigation Measure C.5, the Port shall require that Industry Group components and other aggregate-related tenants employ dust abatement procedures as part of the facility operations including, but not necessarily limited to, the following:

- installation and operation of truck wheel-washing systems at the plant exits;
- daily street sweeping on streets surrounding aggregate-related facilities; and
- clearly posting on the exterior wall or fence of such facilities a company telephone number for citizens to call with dust, noise, or other operational complaints, and designation of a Port staff contact for same.

No other feasible mitigation measures have been identified that would reduce the project's total regional emissions to a level below Bay Area Air Quality Management District thresholds, or eliminate the project's contribution to potentially significant cumulative impacts from all existing (unquantified) and future (unknown) emissions sources.

D. HYDROLOGY

D.1 For construction sites of less than five acres of disturbed area, the contractors shall be required to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) similar to that required under the statewide General Permit for Storm Water Discharges Associated with Construction Activity. The SWPPP would include site-specific information to identify and evaluate sources of pollutants associated with industrial activities and to identify and implement site-specific best management practices to reduce or prevent pollutants associated with industrial activities in stormwater discharges. Best management practices may be non-structural (e.g., activity schedules, maintenance procedures, prohibitions of practices) or structural (e.g., treatment measures, runoff controls, overhead coverage). Elements of the SWPPP shall include the following:

- measures for erosion and sediment controls
- methods for construction waste handling and disposal, and

- post-construction erosion and sediment control requirements.

D.2 To minimize the potential for water quality degradation from stormwater runoff, the Port shall require that all tenants and developers, including interim lessees such as the Industry Group members, implement source control Best Management Practices consistent with those identified in the Industrial / Commercial Storm Water Best Management Practices Handbook (Stormwater Quality Task Force, 1993). Measures shall include, but are not limited to, the following (some of which are proposed as part of one or more Industry Group components):

- prohibiting discharge of process water to storm drains or otherwise directly to the Bay or Islais Creek;
- separating stormwater from process water, such as concrete truck washout water and truck wash water, through the use of berms and other features, and ensuring that treated stormwater to be discharged to the Bay meets applicable permit and regulatory standards, including pH (acidity or akalinity);
- for Industry Group components that would use water in dust control, creation of settling basins or similar features that would allow sediment to be removed from water prior to reuse and/or discharge;
- daily street sweeping of surrounding streets and, for facilities that operate on unpaved surfaces, installation and operation of truck wheel-washing systems at aggregate-related plants;
- employing appropriate containment measures for fuel, asphalt cement, and other hazardous materials stored on-site, to capture potential spills (including at on-site fueling areas);
- installing and maintaining grease and sediment traps at vehicle maintenance and washing areas to prevent contaminated runoff from entering the storm drains or Bay;
- installation of sediment containment systems around outdoor aggregate storage facilities to limit sediment entering stormwater runoff, and covering such storage areas if feasible to limit stormwater infiltration;
- creation of a designated wash-out area for concrete trucks to prevent concrete slurry from reaching the Bay; and
- cover any open conveyors in use over the Bay (i.e., between piers and ships and barges) to minimize the potential for direct sediment spill to the Bay.

D.3 As part of permit and lease requirements for future Port development projects, runoff from stormwater at new or re-developed facilities located outside of the City's combined sewer system shall be, at a minimum, subject to appropriate treatment such as on-site oil/water separators and/or sediment traps, depending on the nature of the pollutants that may be in the runoff, so that stormwater runoff is treated prior to discharge as needed to meet water quality objectives, and that there is no direct, untreated discharge exceeding water quality objectives to the Bay or Islais Creek. Stormwater runoff from future Port development sites shall not be directed to the City's combined system, as originally contemplated in the Waterfront Plan EIR, and the volume of stormwater flows from the project area to the City's combined sewer system shall remain the same as at present, unless the increased flow to the combined system would result in no additional volume of combined sewer overflows.

D.4 Sponsors of individual project components, including members of the Industry Group, shall be required to implement appropriate Best Management Practices for stormwater pollution prevention throughout the life of each lease and shall be required to monitor stormwater quality in accordance with the requirement of the statewide General Permit for Discharge of Industrial Stormwater.

D.5 Sponsors of individual project components, including members of the Industry Group, shall conduct water quality monitoring during construction of facilities on or adjacent to the Bay to minimize effects of construction activities on water quality. In order to minimize potential for spills, construction materials or debris to enter the Bay and affect water quality, site specific construction methods and precautions, such as limiting activities on days of strong winds, could be included in the contractor's construction specifications to minimize effects on water quality. Demolition of structures with lead-based paint should include physical precautions to ensure that paint dust and chips do not enter the Bay.

E. HAZARDS

E.1 Accidental Release of Hazardous Materials or Petroleum Products

In accordance with the Hazardous Materials Ordinance, the sponsor of each Industry Group or Port project component shall ensure that a Hazardous Materials Business Plan is prepared for each of the project components involving the use of petroleum products or hazardous materials. The plan would specify methods for handling and storage of these including containment, site layouts, and emergency response and notification procedures for a spill or release.

RMC Pacific Materials shall ensure that a Spill Control and Countermeasure Plan is prepared for any project involving the aboveground storage of petroleum products. The plan would include requirements for appropriate spill containment or equipment to divert spills from sensitive areas, a discussion of facility-specific requirements for the storage system, inspections and a record keeping system, security for the system, and personnel training. RMC Pacific Materials would also comply with the state requirement that above-ground storage tanks subject to federal regulations are registered with the Regional Water Quality Control Board.

E.2 Hazardous Materials in Soil

E.2a ~~Because the Bode Gravel and Mission Valley Rock projects would be constructed bayward of the historic high tide line and would involve the excavation of at least 50 cubic yards of soil, the sponsors of those components shall ensure that the contractors comply with the requirements of Article 22A, "Analyzing the Soil for Hazardous Wastes." In accordance with the approved site mitigation report for this project component, the site would be capped with an asphalt or concrete slab and structures. Upon completion of capping, a certification report would be prepared to document construction activities and a maintenance report would be prepared specifying procedures to be followed to control exposure to the subsurface soil following construction of the proposed project. These reports would be submitted to the San Francisco Department of Public Health for review and approval to ensure regulatory compliance.~~

Pacific Cement will comply with ~~For any other Industry Group or Port sponsored project components for which~~ Article 22A "Analyzing the Soil for Hazardous Wastes" ~~would apply~~

~~(including the Illinois Street bridge, if applicable),~~ and will prepare a site history report, soil investigation, and soil analysis report for review by the Department of Public Health ~~would be completed~~ to identify potential hazardous materials at this site.

If indicated by the results of the soil investigation, the project sponsor ~~would~~ will ensure that the contractors for each project prepare a Site Mitigation Report in compliance with Article 22A if warranted by the levels of hazardous materials identified in the soil. The plan would include measures for the handling of soil produced during excavation, to control dust and runoff during construction, and to characterize soil for off-site disposal purposes. Upon completion of construction, the project sponsor would ensure that the construction contractors prepare a certification report certifying that either (1) no hazardous wastes present in the soil present an unacceptable risk and that no mitigations are required; or (2) all mitigation measures specified in the site mitigation report have been completed and that completion of the mitigation measures has been verified through follow up sampling and analysis, if required. All reports ~~would~~ will be submitted to the San Francisco Department of Public Health (DPH) for review and approval to ensure regulatory compliance.

The project sponsor shall prepare and submit to DPH a site-specific Safety and Health Plan (SHP) that would address worker safety concerns resulting from potential contaminants on the site. The SHP ~~would~~will include provisions for responding to unknown hazardous materials site conditions that could be encountered during construction.

If the soil investigation demonstrates that hazardous wastes present in the soil could be at levels that pose an unacceptable health risk, the project sponsor would ensure that appropriate site investigations and risk evaluations are performed to evaluate potential human health risks related to any hazardous substances left in the soil or groundwater after completion of construction. The investigations, risk evaluations, and any required remedial actions would be implemented under the oversight of the appropriate regulatory agency(ies) to ensure compliance with applicable laws and that the public health and safety are protected.

E.2b For all projects where subsurface contamination is identified, the project sponsor ~~would~~ shall ensure that from the time that ground surfaces are exposed until the time that all remedial activities have been completed, a fence is erected around the area where chemicals have been identified in the soil and site access is restricted to necessary personnel. Warning signs prohibiting access by the general public onto the project site ~~would~~ shall be posted at all construction access points. Access ~~would~~ shall be limited to authorized personnel only.

Dust-control measures applicable for air quality impacts would also minimize the potential public health impact associated with dust emissions and air quality pollutants. (See also Air Quality Mitigation Measures.)

E.4 Hazardous Building Materials

The project sponsor for each Industry Group component and each future Port development component involving demolition or renovation of existing facilities shall ensure that hazardous building material survey(s) for asbestos, PCB-containing equipment (including transformers, elevator equipment, and other applicable equipment), hydraulic oils, fluorescent lights, and lead-based paint is conducted prior to the start of demolition or renovation, for each such project component. The survey(s) would be completed by a Registered Environmental Assessor or a registered engineer prior to construction or demolition activities. If any friable asbestos-containing materials or lead-containing

materials are identified, adequate abatement practices, such as containment and/or removal, would be implemented prior to demolition or renovation. Detailed requirements for the assessment, abatement, and disposal of hazardous building materials are presented in Appendix F. Any PCB-containing equipment or fluorescent lights containing mercury vapors would also be removed and disposed of properly.

Any hazardous materials discovered through building survey(s) would be abated according to federal, state, and local laws and regulations. In particular, the project sponsors will be required to comply BAAQMD requirements for the removal of friable and non-friable asbestos containing materials as well as other requirements of Cal/OSHA, BAAQMD and the Contractors Licensing Board for abatement of asbestos prior to demolition.

F. BIOLOGICAL RESOURCES

F.1b RMC Pacific Materials ~~Project sponsors of Industry Group project components~~ would ~~similarly~~ limit ~~dredging operations and~~ pier repair/replacement to between March 1 and November 30 to eliminate any potentially significant impacts of dredging or pier repair/replacement on the Pacific herring fishery. In exceptional cases where ~~dredging operations or~~ major pier repair/replacement operations (beyond routine maintenance) must conflict with the herring season, the project sponsor(s) would consult with the permitting agencies, including but not necessarily limited to the U.S. Army Corps of Engineers, Bay Conservation and Development Commission, State Department of Fish and Game, and Regional Water Quality Control Board. The sponsor(s) would comply with specific monitoring requirements established by these and other agencies to avoid impacts on the herring fishery.

F.2 Prior to demolition or renovation of any abandoned building between August 15 and October 15, or between February 1 and May 1, project sponsor(s) would ensure that survey(s) are conducted during the same period by a qualified bat biologist. If no Townsend's western big-eared bats are found during the survey(s), no additional mitigation is required.

If Townsend's western big-eared bat, a California Species of Special Concern, is found during an August - October survey, appropriate exclusion devices approved by CDFG & USFWS should be installed by a qualified bat biologist. Once the bats have been excluded, demolition may occur.

If Townsend's western big-eared bats are found during a February - May survey, demolition should not take place until the end of the nursery season in August. Exclusion devices should be placed by a qualified bat biologist in accordance with CDFG and USFWS.

G. GEOLOGY, SOILS, AND SEISMICITY

G.1 A geotechnical investigation ~~should~~ shall be conducted under the direction of a Geotechnical Engineer prior to permitting any new construction, ~~including construction of the proposed Illinois Street bridge,~~ or reuse of an existing structure for new uses that could increase the load of the structure ~~so as to~~ if such construction triggers the requirements of Section 3403.6 of the San Francisco Building Code. The investigation ~~should~~ shall be performed to evaluate subsurface conditions and existing foundation conditions at the site. The geotechnical investigation ~~should~~ shall evaluate the potential hazards such as

settlement, ground shaking, ground rupture, liquefaction, subsidence, slope stability, and lateral spreading. Recommendations to mitigate geologic hazards ~~should~~ shall be made to the project's structural engineer regarding the design of new foundations, upgrading of existing foundations, seismic design, and mitigation of geologic hazards. *(1997 WLUP FEIR Measure I-1)*

G.2 To minimize hazards to building occupants from non-structural damage, the Port ~~should~~ shall require all Port facilities and tenants to carry out the following measures at a minimum: heavy objects ~~should~~ shall be attached to secure walls and floors, and light, loose objects ~~should~~ shall be placed to minimize their potential to move or overturn; large storage containers ~~should~~ shall not be loosely stacked, and those stored on shelves ~~should~~ shall have appropriate restraints or other means to prevent them from tipping or sliding off the shelves.

Heavy objects like freezers, boilers, chillers, laboratory equipment, battery racks and electrical transformers, heavy storage cabinets, tanks, safes, oversize file cabinets, etc., ~~should~~ shall be firmly secured to floors and walls to prevent their falling or sliding. All equipment using natural gas ~~should~~ shall be anchored. Care ~~should~~ shall be taken to avoid placement of such objects where they could topple or move and block exit doors. *(1997 WLUP FEIR Measure I-7b)*

G.3 ~~Because of the large number of employees and visitors in some facilities potentially on-site in an earthquake and the likelihood that the facilities will be needed to supply emergency response services, high-occupancy facilities should be required to store emergency response supplies and equipment on-site for a 72-hour reserve.~~

It is likely that emergency response systems in San Francisco and in the Bay Area as a whole would be overloaded in the immediate aftermath of a large earthquake. ~~Because of the large population that may be present in the Project Area in an earthquake (especially under Alternatives A and B),~~ Accordingly, it likely would be necessary for offices, hotels, industrial facilities and residents to be relatively self-sufficient for a period of a day or two until supply systems can be restored. Observations from large earthquakes, such as Mexico City in 1985 and Kobe in 1995, confirm that most supply services for water, power, food and medical supplies would be unavailable for a minimum of 72 hours after the earthquake. For this reason, ~~medical supplies needed for common earthquake injuries, stretchers, blankets, flashlights and~~ RMC Pacific Materials shall be required to retain at least 72 hours' potable water and non-perishable food supply, ~~should be~~ stored at easily accessible locations. ~~in offices, business complexes, hotels and large residential structures. Heavy crow-bars, other heavy tools, and hand-operated loudspeakers should be kept in easily accessible and well-marked locations in every building and in large parking structures.~~ *(1997 WLUP FEIR Measure I-7c)*

G.4 Non-structural interior elements (ceilings, partitions, light fixtures, HVAC, pipes, etc.) ~~should~~ shall be designed to withstand strong ground shaking and remain intact. This would be accomplished, for example, by selecting lightweight materials and firmly securing them to structural elements of the building and by using flexible connections for pipes. *(1997 WLUP FEIR Measure I-7d)*

G.5 Require the use of flexible utility connections and fasten water heaters to walls. Require the installation of automatic shut-off valves in all natural gas pipelines and provide similar emergency shut-off valves for other gas (oxygen and nitrogen) systems or as otherwise required by the San Francisco Fire Department or the Port fire marshal. Do not install automatic shut-off valves for water supplies. Require the posting of room/building layout

diagrams that indicate the location of shut-off valves for natural gas. *(1997 WLUP FEIR Measure I-7e)*

G.6 Require fire extinguishers in all rooms and hallways and adjacent to all exit doors (including stairwell exits), as required by the San Francisco Fire Code. Require that cabinets are not placed where they could overturn and block access to fire extinguishers. Require the training of all staff of offices, hotels, industrial facilities, restaurants and entertainment complexes in the use of fire extinguishers. *(1997 WLUP FEIR Measure I-7f)*

G.8 The Port ~~should~~ shall take feasible steps to minimize potential earthquake safety risks related to hazardous materials in its operations and that of its tenants.

Specific steps may include appropriate seismic safety provisions, such as prohibiting the storage of hazardous materials in containers above head level (about five feet); anchoring hazardous materials shelves and heavy equipment to walls and floors; constructing heavy doors that are designed to remain shut during earthquake vibrations; providing hand-operable closures for vents and air ducts; and other provisions as discussed in the Association of Bay Area Governments' *Hazardous Material Problems in Earthquakes: A Guide to Their Cause and Mitigation.* Other measures ~~should~~ shall be implemented as recommended by the San Francisco Fire Department and/or Health Department. Additionally, The Port has prepared an Emergency Procedures Manual for Port operations and periodically revise it to be consistent with changes in the facilities and operations. Tenants who use or store hazardous materials are required by the local Hazardous Materials Ordinance to develop a hazardous materials Business Plan, which includes emergency procedures. *(1997 WLUP FEIR Measure I-8a)*

G.9 The Port ~~should~~ shall require tenants to design all facilities for storage of hazardous chemicals in containers, such as cabinets, shelves, and drawers, to minimize potential hazards in an earthquake, in accordance with Fire Department and/or Health Department requirements.

Storage facilities ~~should~~ shall include safety lips to contain spills and to reduce the likelihood of contents falling. All shelves and cabinets ~~should~~ shall be secured to a wall or ceiling. All cabinets and drawers ~~should~~ shall be provided with positive latches that would not open during earthquake motions and vibrations. Compressed gas cylinders, including empty ones, ~~should~~ shall be secured to fixed features. Gas cylinders ~~should~~ shall be secured at two locations along their vertical axis, one in the top one-third of the cylinder and another in the bottom third of the cylinder.

The Port ~~should~~ shall require storage of hazardous chemicals in approved containers and separation of incompatible chemicals in separate storage areas. If chemical storage is vented by an electric fan, an alternative (emergency) means of ventilation ~~should~~ shall be provided, which may be a mechanical (non-powered) vent. *(1997 WLUP FEIR Measure I-8b)*

Implementation of Measures G.9 and G.10 would reduce hazardous materials-related non-structural safety hazards of an earthquake to an acceptable level of risk.

G.10 Project sponsors, including the Port, ~~should~~ shall employ an engineer qualified in earthquake engineering to incorporate into the final design of individual facilities developed under the WLUP all economically feasible engineering methods to reduce the potential for loss of life-line services. This may include methods to improve unstable ground conditions, to strengthen infrastructure to be more resistant to earthquake induced ground movements, and to organize and prepare for earthquake response. While specialized techniques for ground improvement to reduce liquefaction hazards likely are

not practical or economically feasible over large areas, ground improvements within selected strategic sites may result in substantial hazard reduction to utility systems. In such areas a variety of ground stabilization techniques may be considered, such as compaction grouting, placement of stone columns, and deep soil mixing. *(1997 WLUP FEIR Measure I-9a, Revised)*

G.11 For individual development projects, the use of flexible connections for utility lines may be needed (see Mitigation Measure G.7). Back-up supplies of water, power generators, and battery-operated telecommunications equipment may need to be installed (or enlarged at the existing facilities). The engineer ~~should~~ shall recommend the appropriate approach (e.g., separate facilities and equipment or upgrading existing facilities) for all Project Area facilities. *(1997 WLUP FEIR Measure I-9b)*

G-14 All open sub-grade structures and pits, whether temporary or permanent, ~~should~~ shall be provided with protection against damage resulting from adjustment to buoyant and lateral deforming soils.

All construction and design of such projects ~~should~~ shall provide specific measures to prevent hazards to people and damage to proposed or nearby structures that could result from these adjustments. In some cases, a specific geotechnical investigation may be required for permanent open sub-grade structures and open underground structures. *(1997 WLUP FEIR Measure I-2)*

G-15 Prior to any construction that would require dewatering, the applicant ~~should~~ shall submit and the Port ~~should~~ shall review a dewatering and excavation plan and an analysis of potential impact to adjacent properties to determine whether the potential exists to damage off-site property.

As a standard practice, the Port ~~should~~ shall require an application package that will indicate the amount of dewatering and the period over which dewatering may be required. The package shall ~~should~~ include a survey of adjacent structures with information concerning their age, foundation type, construction type, status as a historic landmark or structure of special significance, and record of any existing damage. The package shall ~~should~~ also identify adjacent City streets, the location of buried infrastructure, and an evaluation of groundwater quality, flow patterns, and disposal. In addition, the application ~~should~~ shall indicate any specific mitigation measures incorporated into the project to minimize hazards to structures and groundwater. *(1997 WLUP FEIR Measure I-3a)*

G-16 To minimize dewatering hazards, construction projects ~~should~~ shall provide shoring of all excavation pit walls, and provide supports to adjacent structures, including foundation support if needed. *(1997 WLUP FEIR Measure I-3b)*

G-17 All applicants for construction projects involving dewatering (as well as vibration-inducing pile driving) ~~should~~ shall post a surety bond or other equivalent mechanism to cover the costs of potential damage to off-site property from construction. (The bond is included in this EIR as a mitigation measure because of the uncertainty that other mitigation measures would protect off-site property from damage. If needed, the bond would be used to repair off-site damage and thus mitigate that impact.) The amount of the bond ~~would~~ will be determined by the Port. *(1997 WLUP FEIR Measure I-3c)*

G-18 Prior to any construction that would require dewatering or pile driving, the Port ~~should~~ shall notify all property owners within 200 feet of the proposed construction activity at

least 30 days prior to the date of initiating demolition or excavation, whichever is the first activity to occur. The Port ~~should~~ shall provide an opportunity for all property owners to comment on the construction activity and allow them the opportunity to have their property photo-documented for its pre-construction condition. The Port is responsible for inspection of construction activities and should note any observations of proven or suspected subsidence damage on the site and at adjacent sites. This measure would allow adjacent property owners to document the condition of their property prior to initiation of an activity that could result in damage. If damage does occur, the measure would help to identify the extent of the damage caused by construction within the Project Area. *(1997 WLUP FEIR Measure I-3d)*

G-19 For impacts from pile driving, the Port and project sponsors should implement Measures G-16 through G-19. *(1997 WLUP FEIR Measure I-4)*

G-21 If demolition of the former fishmeal warehouse at Pier 92 is not immediately followed by redevelopment, ~~the Port or project sponsor, as determined by the Port, should~~ RMC Pacific shall carry out effective measures that leave the site of all demolished buildings in a condition that will not pose a life safety hazard or potential to damage adjacent properties.

Such measures should include removal and or proper sealing of pipes (including water, gas, and sewer lines), establishment of effective shoring or construction of retaining walls for unstable pit walls, filling of basements that create hazardous conditions, removal of hazardous substances, and other measures as deemed appropriate at a specific site, such as fencing. The Port would be responsible for vacant lands that may include the hazards identified in the Geology, Soils and Seismicity section of the WLUP FEIR. The above measures are minimum requirements to ensure that hazards would be held at acceptable levels until such time as land development could occur. The Port would be responsible for carrying out the mitigation or overseeing compliance with it. The Port will assign these obligations, as they relate to the demolition of the former fishmeal warehouse at Pier 92 proposed in the RMC Pacific Materials concrete batch plant lease, to RMC Pacific Materials, to be implemented as a condition to an approved Lease. *(1997 FEIR Measure I-6)*

REFERENCES – Mitigation Measures

Stormwater Quality Task Force, *Industrial/Commercial Best Management Practices Handbook*, prepared by Camp Dresser & McKee, et. al., March 1993.

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SAN FRANCISCO
PORT COMMISSION

MAY 13, 2003
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. MICHAEL HARDEMAN, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. DENISE McCARTHY
HON. BRIAN McWILLIAMS

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DOUGLAS F. WONG, EXECUTIVE DIRECTOR1

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
MAY 13, 2003

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 3:05 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon, Denise McCarthy and Brian McWilliams.

2. APPROVAL OF MINUTES - April 22, 2003 Regular Meeting

ACTION: Commissioner McWilliams moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; the minutes of the April 22, 2003 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report

- Resolution of Commendation for former Commissioner Pius Lee.
  Mr. Wong welcomed back former Commissioner Pius Lee to the meeting. It was an honor to have him as a Port Commissioner for more than four years. His leadership at the Port especially the dedication he showed representing the Chinese community in San Francisco was outstanding. The Port will miss his real estate guidance, which helped in the development of Pier 1, the Ferry Building, and other Port projects. The dedication, leadership and insight he brought to the Port will be missed.

  Commissioner Hardeman presented former Commissioner Pius Lee a proclamation of appreciation for his years of service at the Port and thanked him for his service.

  Former Commissioner Pius Lee remarked that it was a great honor and privilege to serve on the Port Commission. The Commission worked very hard and made extremely difficult decisions for the betterment of the Port such as the Ferry Building, Cruise Terminal and other projects. He thanked all the Commissioners and Port staff for making his service as a Commissioner one of the highlights of his carecr. He thanked Peter Dailey and Gerry Roybal for bringing Celebrity Cruise Ship to San Francisco.

  Commissioner Brandon commented that it was a pleasure working with Commissioner Lee and he will be surely missed.

  Commissioner McCarthy also commented that it was a pleasure working with Commissioner Lee. He was very helpful during the tight deliberations and tricky issues they faced.

Commissioner McWilliams added that Commissioner Lee not only worked hard for the Port but for the community as well. He was largely responsible for the evening markets in Chinatown. He thanked him for his contributions to the Port and to the community and he appreciated the opportunity to get to know each other personally.

4. CONSENT

A. Request for approval of First Amendment to Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) for Right to Extend Ductbanks to the Public Right-of-Way known as Cargo Way. (Resolution No. 03-33)
THIS ITEM WAS DEFERRED TO THE NEXT MEETING.

In response to Commissioner Brandon's inquiry regarding the purpose of the amendment to the MOU, Mark Lozovoy, from the Real Estate Division, replied that this amendment would allow for the final connection of the ductbanks to the existing electrical conduits

Commissioner Brandon indicated that in the original MOU, the Commission authorized Muni to construct the ductbanks under the Islais Creek Bridge. Mr. Lozovoy replied that the entire project was approved. The final alignment is the connection to the right of way.

Francisco Da Costa, Environmental Justice Advocacy, indicated that staff has to be upfront with what's going on with the project. One of the ductbanks is going to connect the old PG&E power plant and bring the power to help Muni Light Rail. The Commissioners should get a briefing from the Muni project managers and PUC. One of these ductbanks and the power that is going to come from the old PG&E Plant to the Mirant Plant is going to play an important role. The last time they had a combined meeting with SWAC and MCAC at the southeast facility, he brought this issue to the attention of Port staff. If this high power line is in place over Port property, San Franciscans, Californians and the Port can profit from it. They could connect one of the turbines that the City has to this line or they could get energy at a cheaper rate. He suggested that in the future, it would be prudent that whenever ductbanks are installed on land fill, that they are careful. One of the consequences of this project was that they had a problem with the sewer line. That same main force takes raw sewage 100% from Colma, Daly City, Brisbane and Burlingame. This is not a very simple project. He requested that PUC and Muni explain the consequences of this ductbank.

Commissioner McCarthy inquired about the revenues for commercial uses from the ductbanks. Mr. Lozovoy replied that when the ductbanks were installed, instead of receiving revenues for the installation of the ductbanks, Muni agreed to install a number of conduits for the Port for commercial uses. When the conduits are connected, the Port will have conduit space to commercially sell to a telecommunications company or other interested parties.

Commissioner Brandon indicated that when the original MOU was approved, the Commission was assured that Muni was just installing the ductbanks and there were no discussions about trenching, connecting or going underneath the Port property.

Sue Olive, Project Manager of Muni Third Street Light Rail, explained that the ductbanks

would allow Muni to connect signalization, other communication and power from one side of the creek to the other because the Islais Creek bridge is liftable and connections are broken. The initial MOU authorized Muni to go underneath the creek and provide space for conduit on either side of the creek but it didn't get them from the location where they surfaced. They knew that they had to get over to Cargo Way and the ductbanks and conduits and electrical services need to go down Cargo Way to Third Street to make that electrical connection from one side of the creek to the other. They didn't have the exact alignments specified when they came to the Port a year ago. The exhibit that was in the original MOU gets them to where the pullboxes and manholes are currently located. In this MOU amendment, they are adding a new drawing that shows where the ductbanks will go over Cargo Way to Third Street. They had to work with the Port Engineers to make sure that the ductbanks that go from the current locations to Cargo Way don't interfere with the Illinois Street Bridge project. That project was just being formulated when the Commission passed the original MOU.

Commissioner Brandon inquired about the lines that will be servicing Muni and whether there are other ductbanks along the line or these are the only ones for the power source. Ms. Olive replied that there are three bores that went under Islais Creek. One of them is exclusively for Muni, Muni and other City departments share the other and the third is for the Public Utilities Commission. They have designed it and will construct part of it for PUC but they will have to go through a separate permitting process with the Port as well as Muni. The MOU gives Muni access to the right of way. It does not allow them to do any construction. Muni has to get a permit for construction.

Commissioner Brandon asked where the power is coming from and if this will be the power source for the light rail. Ms. Olive replied that the power source is coming from PUC and PG&E. Muni needs that ductbank or Third Street Light Rail cannot operate. Signal lights and other communications go into the ductbank.

Commissioner Brandon indicated that she was not comfortable voting for the item because the Commission needs more information before making the decision. Staff could put together a briefing on exactly what they are doing in the southern waterfront.

Ms. Olive mentioned that the initial work was done by one contractor. They now have another contractor that is set to do the work.

Commissioner Hardeman asked what this would do to the project if the decision were put off for a couple of weeks. Commissioner Brandon asked what the consequences are if the decision on this item is put off for a month.

Ms. Olive replied that this is the central waterfront segment and she's not the project manager for construction. There will be another project manager that can speak to that issue. She does not believe that there are any milestones that limit access so that if the contractor wants to get in at any point, they have to let them in. If we don't let them in, there will be liquidated damages. Since they just started mobilization, Mitchell Engineering has a notice to proceed on April 10th. They are just starting up on this area. A couple of weeks should not make a difference; if it were longer, it could.

Commissioner Brandon moved motion to defer this item to the next meeting; Commissioner McCarthy seconded the motion. All of the commissioners were in favor.

5. REAL ESTATE

A. Request for approval of a lease with Fascination Consumer Enterprises for space at Pier 29-½ for use as general office, general storage and rental of electric vehicles to the general public. (Resolution No. 03-34)

Mr. Phil Williamson, Real Estate Division, presented the item and requested Commission's approval.

Commissioner McCarthy indicated that although FCE's premises are part of a forthcoming development for the Piers 27-31 complex, that project would probably not commence in six months. Commissioner McCarthy inquired if FCE would need to seek another lease when their six-month lease expires. Mr. Williamson replied that the six months lease has a termination date. The Port's standard lease has a holdover provision which would allow a tenant a month-to-month lease giving the Port and the tenant the right to terminate with 30 days notice.

Commissioner McCarthy indicated that FCE could technically lease the space on a six-month basis without competitive bidding and then it would be month-to-month lease for a few years because the Piers 27-31 project would probably take about two years to commence. Mr. Williamson replied that the Port has a 30-day notice provision for any reason whatsoever. Mr. Williamson informed the Commission that the Planning Division is moving forward with the project and that the Real Estate Division has to enforce certain provisions of termination of leases in the near future.

ACTION: Commissioner McWilliams moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 03-34 was adopted.

6. ADMINISTRATIVE SERVICES

A. Request for authorization to award a Professional Services Contract to Bay Area Economics for the preparation of the Port of San Francisco's Nexus Study. (Resolution No. 03-35)

Mr. Joel Robinson, Director of Administrative Services, presented the item and requested Commission's approval.

Commissioner McCarthy cautioned staff about handling the study carefully because it might not come out in the Port's favor. Mr. Robinson replied that the consultants will meet with Port staff weekly to receive input and direction. Staff is hopeful that it will be a quality study that will bring back accurate figures that staff could live with.

Commissioner McWilliams asked about the opportunity for public comment during the process. Mr. Robinson replied that BAE will be meeting with staff. The public will have an opportunity to comment when staff presents the results of the study to the Commission.

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 03-35 was adopted.

7. PLANNING & DEVELOPMENT

A. Request for approval of the Art Commission proposal to locate the sculpture by Robert Arneson titled "Yin and Yang," on the west side of the Embarcadero Roadway, south of Washington street, at the southwest corner of Lot 202. (Resolution No. 03-36)
THIS ITEM WAS DEFERRED TO THE NEXT MEETING.

Mr. Dan Hodapp, Planning and Development Division, presented the item and requested Commission's approval.

Susan Pontius, Arts Commission Project Manager, requested approval of the siting of the sculpture by the late Robert Arneson, one of the leading artist in the movement of ceramic sculpture. Yin & Yang was part of a series towards some of the last artworks created in Arneson's lifetime for U.C. Davis. The U.C. commissioned five sculptures located throughout the campus known collectively as the "egghead" series of which Yin & Yang is one. The material is bronze with a white patina.

Commissioner McWilliams asked what "temporary" meant. Ms. Pontius replied that the airport owns the work and it's on loan but it could be long-term temporary.

Ernestine Weiss, Golden Gateway, indicated that the dictionary defines waterfront as "land fronting a body of water." This location is the wrong location for the artwork. It is behind the Vallain Court Fountain which is a very insignificant location. People will be climbing on the statue and jumping off it. There will be graffiti and vandalism. They worked so hard to make Lot 202 ferry park a beautiful open space area. The better place to put this statue is behind the Ferry Building near the Gandhi statue. This statue belongs on the waterfront. A temporary exhibit does not warrant ripping up the tree and the grass in the circle.

Toby Levine, Northeast Waterfront Advisory Group (NEWAG), indicated that the NEWAG reviewed the Yin and Yang sculpture in March when the Arts Commission presented it. The group except for one member was completely supportive of this particular Yin & Yang sculpture. Robert Arneson was a very important artist to the San Francisco Bay Area. Of particular importance was his "Portrait of George," an artistic effort to help the public heal their spirits over the shocking death of George Moscone. It is symbolic that a work by Arneson is being placed along the waterfront. The presence of art not only is able to heal, but it also can inspire appreciation, raise questions, provoke thought and provide delight. She hopes that the Port Commission will continue to work with the Arts Commission in finding, siting, installing and maintaining art works with meaning and interest to the residents of the Bay Area and its visitors. With Yin and Yang and the other works of art that have been installed along the waterfront, perhaps one day, in addition to having a Port Walk that emphasizes the history of San Francisco, there will be an Art Walk that celebrates the Bay Area's artistic movements. The committee urged the Commission to approve the project.

Briane Browne, Golden Gateway resident, applauds the art but agrees with Ernestine's comments about leaving the open space as is which the neighbors and activists worked so hard for. It is not an appropriate place to put art; a tree is better suited for this space. The art should be placed in a different location. He asked the Commission to leave the open space as is.

Commissioner Hardeman asked what would happen if the Commission approves this project and a year from now, they realized it's a mistake. Mr. Hodapp replied that there is an expense associated with the installation for the art involving transplanting one shrub and site preparation. The ground cover below the art would remain. It would be a landscaped surface. The Arts Commission has asked for a three-year period of maintaining the installation in this location. The is a 30-day notice of right to terminate by the Port and the Arts Commission. There is also a requirement to restore the site to its original condition upon removal of the art.

Commissioner Brandon asked who thought about this location. Mr. Hodapp replied that it was the Arts Commission's proposal. It had to do with the size that members of the Arts Commission and its staff felt was appropriate for the piece where it is a landscaped circle surrounded by a walkway in a seating area. It is a contemplative piece that is a focal point for this seating area.

Commissioner Hardeman asked if there were any speakers who spoke against this proposal when this item was brought to the Arts Commission and whether any of the Art Commissioners opposed it. Ms. Pontius replied no.

Commissioner McWilliams indicated that he has a great deal of respect for the Arts Commission and the people who have spoken but the waterfront should be reserved appropriately for waterfront-related activities including waterfront-related art and things that reflect on the history of what happened on the waterfront, maritime and workers. That history is something that needs to be told. This is a place for that kind of expression. He does not think that the Yin & Yang sculpture would fit in with what he would like to see further expressed on the waterfront as is done on the Port Walk and many places along the waterfront. While he has a great deal of respect for the speakers, he does not care about the bush or the idea that this is particularly appropriate art as meaningful as it is for this particular space. There are other discussions about pieces of art related to the social struggles that are important to reflect upon in these times in a place adjacent to where they were experienced in the 20's or the 30's or before the turn of the century. That's the kind of art that is appropriate for this kind of space. He will vote against this project.

Commissioner Brandon suggested a counter offer that the Port can come up with locations that would benefit from this art other than locations that are controversial. The Arts Commission may be open to letting the Port suggest other places that might be just as nice. Ms. Pontius indicated that the fact of the matter is that any place you want to place a piece of art is controversial to somebody. They are certainly willing to consider other sites. They chose this site because this is a very prominent work of art, it's a prominent artist and it deserves a location where it gets due recognition. They felt this site was very appropriate because when people get off the ferry, everybody comes across the street. It's active and on a nice day, it's active with people sitting around, eating their lunch, and

lounging. She believes that the art of the work will help activate social spaces. They are least vandalized when they attract people. This is part of a movement of artwork down the Embarcadero that would help attract more people. They think this site is very appropriate.

Commissioner McCarthy asked about the height of the sculpture. Ms. Pontius replied that the one of the sculptures is 58 inch high and the other is 39 inches. Commissioner McCarthy commented that this is an area where we're trying to get families to come. Kids are all over sculptures such as the seal at Pier 39, whether they are too slippery or bronzed.

Commissioner Hardeman asked about the time line of the project. Ms. Pontius replied that they are hoping to do the dedication in October. Commissioner Hardeman requested the Director to recalendar this item and withdrew the original motion.

Dan Hodapp commented that there is another sculpture proposed for a site adjacent to this which is partially on Port property. Immediately to the north of the site, the Abraham Lincoln Brigade is proposing a monument sculpture of which staff is taking to the Waterfront Design Advisory Committee next Tuesday and will be brought to the Commission thereafter. The Commission might want to see both the pieces together and how they relate to each other and be able to make a decision.

Commissioner McWilliams indicated that there will be no controversy about the Abraham Lincoln Brigade.

After further discussion, this item was deferred to the next meeting.

8. MARITIME

A. Request for adoption of CEQA findings, mitigation measures and lease for RMC Pacific Materials concrete batch facility at Pier 92 (Resolution No. 03-37)

Legal Counsel Noreen Ambrose noted that the phrase, "to be approved by the Port Commission" on the third and fourth line of the resolved clause of the resolution should be deleted since the Commission is approving and entering into the lease at this time.

Mr. Peter Dailey, Maritime Director, presented the item and requested Commission's approval.

Francisco Da Costa, Environmental Justice Advocacy, indicated that Pier 92 was where the toxic soils were. The community discussed that issue and the toxic soils were removed. They are glad that RMC will be located in that area. Using the barges, a different type of transportation and catering to the truckers from the community which will give jobs is what a lot of environmentalist are looking forward to. RMC has always been open with a dialog so has Dan Boardman's company. Everything is not perfect but these two companies have always been open to a dialog and have accommodated the environmentalists.

Robert Domingue Jr., Domingue Trucking, spoke on behalf of RMC Pacific Materials and their commitment to the community. They have been one of the most pleasant companies

that he has had a pleasure of working with. Their commitment to the community has been outstanding. He enjoyed working with them and would like to continue working them and he urged the Commission to approve their lease.

Commissioner McWilliams inquired about the overall process. There is an agreement for the company to participate in the cost which might be allocated towards the Illinois Street Bridge project and other unidentified community projects and the different hoops that RMC has been asked to go through. He wanted to get an assurance that the playing field is fairly level for all the companies who participate in that industry including Pacific Cement, Specialty Crushing, Hanson, Mission Valley, Bode i.e they have all been asked to go through the same hoops and have been held to the same criteria whether it's related to the SEIR or the community involvement or participation in other Port projects.

Mr. Dailey indicated that Commissioner McWilliams raised a valid point. Sometimes the process is daunting and frustrating but in this case, RMC was one of the first companies to come to the Port with this idea of moving product by water, next to the batching plant, taking trucks off the road but they were one of the last ones to ask for approval. In this case, the process worked. This is a better project. The Commission's and the community's guidance in the long run will make this project better for all parties. In terms of the SEIR, he believes that there is an equal level of playing field. The rates and the terms are fundamentally the same. For this exact type of use, he believes there is a level playing field.

Commissioner McCarthy asked about the tonnage required and how it would be calculated and if it would be cheaper for them to pay the fee rather than produce the tonnage. Mr. Dailey replied that things change. Fundamentally, their source of product is by water. There are no local sources. You could truck it from Utah but the most economical source to bring product in to supply their batching is by water. If they do not meet their maritime commitment, they shall be deemed in raw material default under the lease and subject to default provisions. That's a big risk for them to undertake. If the Port feels that they are not meeting their obligations, they can lose their investment and they can lose their lease.

Commissioner McCarthy asked how the tonnage will be calculated. Mr. Dailey replied that it's a three-year rolling average i.e. if in one year, they have a deficiency, they could make it up in the subsequent years. Port staff monitor it on an annual basis and will be calculating their wharfage based upon their volume throughputs. There will be monthly reporting.

Commissioner Hardeman thanked Commissioner Brandon who lives in that district as well as Supervisor Maxwell and everyone concerned for making this happened for the good of the community.

Commissioner Brandon also thanked RMC for stepping up to the plate and being a great corporate neighbor and looks forward to having them as Port's tenants.

ACTION: Commissioner McCarthy moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; Resolution No. 03-37 was adopted.

9. NEW BUSINESS/PUBLIC COMMENT

Bill Stephens, officer of the Navy League of the U.S., supports the relocation of the Battleship U.S.S. Iowa from its current location of Suisun Bay to the Port of San Francisco as a premier maritime memorial museum. The Navy League is a 75,000 member organization founded by Teddy Roosevelt, one of the oldest non-profits in the country. They have been into the Secretary of Navy's office twice on this issue. They supported this relocation which has already occurred in Congress. He has been in the Assistant Secretary of the Navy's office as well as the Secretary of the Navy's office when this location was being discussed. It was supported by a bipartisan $3 million appropriation which brought the Battleship, which is 3 football long, one of the most historic battleships the United States has ever created. She was brought under the Golden Gate on April 21, 2003 and is currently in Suisun Bay. The Navy League officially supports the relocation of the ship to the Port of San Francisco as a premier memorial and museum. It has enormous educational value. Governor Davis and the Office of Emergency Services have officially and in writing petitioned the Secretary of the Navy that the ship be used in the Port of San Francisco as an emergency command and control center. The Commission have received letters from the California Senate supporting this. The Commission have received letters from the Fisherman's Wharf Association supporting the relocation of the IOWA. The ship will bring enormous revenue to the Port. The Iowa at their most optimistic level, over a ten year span, would achieve a revenue in excess of $8 million. The economics of this relocation for the Port are enormous and cannot be ignored. The $8 million is a revenue potential merely for the Port; it does not include the revenue potential of 500,000 to 1 million people that will visit the ship and visit other businesses in the Port. He will be meeting with the Dept. of the Navy. The personnel from the Dept. of the Navy directly run the entire and active ship fleet in the U.S. The topic of this meeting will be the USS Iowa and the relocation to the Port of San Francisco. The potential that this project stands to bring to the Port in education, community development, economic benefit, disaster command and control lifesaving capability is virtually impossible to describe because it is so vast. As a representative of the Navy League of the U.S. along with other Veterans Groups in the audience in which this relocation enjoyed a National Resolution from the V.F.W last year. He urged the Commission to put this project on the next agenda so they can formally and adequately inform the Commission of this prospect for an enormous growth for the Port of San Francisco.

Merylin Wong, Historic Ships Memorial at Pacific Square, indicated that the Navy staff who will be charged for making the recommendation as to where the final resting place of the USS Iowa will be as a memorial and museum is in town today. This endeavor has united citizens, educators, veterans, politicians and even generations. More importantly, it meets the public interest mandate of the Port of San Francisco and it will be a significant source of revenues for the City and the Port. The historic Ships Memorial is a non-profit, public benefit organization. It is recognized by the United States Congress, the Navy, the California State Legislature, both the States and citizens of Iowa and California and numerous civic organizations, businesses and community groups. Their goal is to support the relocation of the ship to the Bay Area which the Navy has already done. They acted on the mandate of Congress. Secondly, to generate community support using the ship's presence. Thirdly, to get a pier which means identifying a pier and making it available to berth the ship on a long term basis. Finally, to enhance a superior proposal presented to the Navy that meets all the minimum initial requirements set forth by the service. She invited the Commission's active participation in seeing to it that this goal is achieved; one of mutual interest to all. She gave the Commission

materials regarding the USS Iowa. She asked the Commission to include them in future agenda as a current topic and an outstanding opportunity for Port revenue and waterfront revitalization.

Jo Anne Richards, Marin County Navy League and Historic Ships Memorial at Pacific Square echoed Mr. Stephens and Ms. Wong's comments and encouraged the Commission to read the materials they presented about this valuable project which will be and a valuable asset to the waterfront. She encouraged the Commission to put their item on the agenda for presentation and discussion.

Alan Sandler, Architectural Foundation of San Francisco, indicated that the Port is the host of Build San Francisco. The students represent 8 different high schools in the City and have explored a variety of opportunities including the development of the Port. He thanked the companies that made it possible. For the last twelve weeks, the students have not only explored this area but also had mentorships in a variety of architectural, design, engineering, and construction firms involved in the building and making the community: SMWM Architects, William-Sonoma, Primus, Tom-Elliott Fisch, Treadwell & Rollo, Swinerton Builders, Glumac International, Simpson Gepharts and Hegger, Farrella Braun and Martel, Hannum and Associates, Ron Chase Architects, C &B Consulting Engineers, and the offices of the Port. He thanked all the volunteer mentors who made this program a success.

Karen Chin, Galileo Academy, indicated that the Build San Francisco project is a high school program sponsored by the Architectural Foundation of San Francisco as well as the Port of San Francisco. As a student from Galileo Academy, this program has been very refreshing. It has been an opportunity for her to meet students of different backgrounds, get together for actual hands-on learning experience of real life applications. She has been working with her mentor, Claudia Mindendorf, from Hannum Associates. The knowledge she gained from her is not something that she would gain from a normal high school classroom. The experience she has gained from her will be valuable in her future.

Michael Yee, Galileo High School, indicated that part of the project was a mentorship program. The mentorship program is educating him beyond the classroom and education system in San Francisco. Some things that they have learned in the mentorship program are such things as working with AutoCad 2000, a program that is not introduced in high school. Each student in the program was issued a mentor. He thanked everyone for the opportunity to be in the program.

Dorothy Mac, Lowell High School, indicated that her mentorship was with Chris Shumate at the Port. Mr. Shumate is a cool engineer and project manager of the recent renovation of the Ferry Building. Her overall experience in the Build San Francisco program was fun and unforgettable. She thanked the Port on behalf of all the students from the Build San Francisco program for letting them use their facilities and thanked the Architectural Foundation for providing them the opportunity to meet students from various parts of the City with similar interests. She thanked each individual mentors for taking their time to help them learn the real world.

Alan Sandler indicated that the school system is going through a series of funding cuts. They did however, asked them to continue the program for next year.

Commissioner McCarthy indicated that this is going to be her last meeting. She thanked everyone on staff. Everyone has been so wonderful and supportive and help make her seven years at the Port memorable.

10. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor.

At 4:35 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case):

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., S. F. Superior Court Case No. 318360, filed January 25, 2001.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant and As Plaintiff)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Sinbad's Restaurant
Person Negotiating: Port: Ken Winters, Real Estate Director
*Sinbad's Restaurant: Duane & Tom Stinson

b. Property: 160 Jefferson Street
Person Negotiating: Port: Ken Winters, Real Estate Director
*Boudin Properties, Inc.: Louis Giraudo
THIS ITEM HAS BEEN TAKEN OFF THE CALENDAR

c. Property: 400 block of Jefferson Street
Person Negotiating: Port: Ken Winters, Real Estate Director
*G.P. Resources: Andrew Zar

11. RECONVENE IN OPEN SESSION

At 5:23 p.m, the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner McWilliams moved approval to adjourn executive session and reconvene in open session; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner McWilliams moved approval to not disclose any information discussed in executive session; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

12. ADJOURNMENT

ACTION: Commissioner McCarthy moved approval to adjourn the meeting; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 5:23 p.m.

SAN FRANCISCO
PORT COMMISSION

DOCUMENTS DEPT.
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PUBLIC LIBRARY

Please note the time of the meeting

SPECIAL MEETING
3:00 P.M., TUESDAY, MAY 27, 2003
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com.

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - May 13, 2003 Special Meeting

3. **EXECUTIVE**

   A. Executive Director's Report
      - Introduction of New Port Commissioners

4. **CONSENT**

   A. Request for approval of amendment to the Port Commission Rules of Orders to reflect the change of time and location for Port Commission meetings. (Resolution No. 03-38)

5. **REAL ESTATE**

   A. Request for approval of First Amendment to Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) for Right to Extend Ductbanks to the Public Right-of-Way known as Cargo Way. (Resolution No. 03-33)

6. **PLANNING & DEVELOPMENT**

   A. Request for approval of the Art Commission proposal to locate the sculpture by Robert Arneson titled "Yin and Yang," on the west side of the Embarcadero Roadway, south of Washington street, at the southwest corner of Lot 202. (Resolution No. 03-36)

   B. Informational Presentation by Stanford Hospitality on revised design of Embarcadero Hotel at Broadway and the Embarcadero.

7. ENGINEERING & MAINTENANCE

A. Informational Presentation regarding the status of the Illinois Street Bridge Design-Build Team Selection.

8. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d) (1 case):

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant and As Plaintiff)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

Under Negotiation: _____ Price ____ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 27-31.

b. Property: Rincon Park Restaurants
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*JMA Waterfront LLC: Art Chapman

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Rincon Park.

10. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12

B. Vote in open session on whether to disclose any or executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

11. ADJOURNMENT

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Nita Mizushima, Chief Harbor Engineer, at 274-0559. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

Lobbyist Registration and Reporting Requirements. Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code §2.100) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

May 21, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Michela Alioto-Pier
Hon. Sue Bierman
Hon. Wilfred Hsu

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of amendment to the Port Commission Rules of Orders to reflect the change of time and location for Port Commission meetings.

DIRECTOR'S RECOMMENDATION: APPROVE ATTACHED RESOLUTION

Article II of the Commission's Rules of Order states that regular meetings of the Port Commission shall be held on the second and fourth Tuesday of each month at 4 p.m. Meetings will be held in the Bayside Conference Room at Pier 1 until such time that the Ferry Building renovation project is completed.

The Ferry Building renovation project is soon to be completed. Therefore, effective June 24, 2003, the Port Commission meetings will again be held in the Commission Room located at the Ferry Building. The Port Commission meetings, effective June 10, 2003, will start at 3 p.m. instead of 4 p.m.

A copy of the amendment to the Commission's Rules of Order will be forwarded to the Commission upon its approval.

This Print Covers Calendar Item No. 4A

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-38

WHEREAS, Article II, Item 1 of the Commission's Rules of Order states that regular meetings of the Port Commission shall be held on the second and fourth Tuesday of each month. Meetings will be held in the Bayside Conference Room at Pier 1, at 4:00 p.m.; and

WHEREAS, The Ferry Building renovation project will soon be completed; and

WHEREAS, Effective June 24, 2003, the Port Commission meetings will again be held in the Commission Room located on the second floor of the Ferry Building; and

WHEREAS, The Port Commission meetings, effective June 10, 2003, will start at 3 p.m. instead of 4 p.m. now, therefore, be it

RESOLVED, That Article II, Item 1 of the Commission's Rules of Order be amended as follows:

- Regular meetings shall be held on the second and fourth Tuesday of each month. Port Commission meetings will be held in the Commission Room of the Ferry Building at 3:00 p.m.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of May 27, 2003.

_____
Secretary

RULES OF ORDER

SAN FRANCISCO PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

(Amended May 27, 2003)

ARTICLE I

MEMBERS AND OFFICERS – ELECTIONS

1. There are five Commissioners duly appointed by the Mayor.

2. Among the Commissioners, a President and Vice President will be elected. They will serve a one-year term or until a successor is elected. Elections will be held every year at the first calendared meeting in January. No officer may serve for more than two years consecutively in the same office.

STAFF

1. There will be an Executive Director who is nominated by the Commission but approved by the Mayor, in accordance with the City Charter, Section 3.581(h). The Executive Director serves at the pleasure of the Commission for an indeterminate term.

2. There will be a Commission Secretary who is also appointed by the Commission under Section 3.500(h) of the Charter, and will serve at the pleasure of the Commission for an indeterminate term.

3. In accordance with Charter Section 3.585, the City Attorney shall be the legal advisor of the Commission. Special counsel may be appointed with the consent of the Mayor and the approval of the City Attorney.

ARTICLE II

MEETINGS

1. Regular meetings shall be held at ~~4 p.m.~~ 3:00 p.m. on the second and fourth Tuesday of each month. ~~Meetings will be held in the Bayside Conference Room at Pier 1, until such time that the Ferry Building renovation is completed in mid-2002. At that time, the Port Commission Meetings will again be held in the Commission Room, on the third floor of the Ferry Building, Suite 3100, at 4:00 p.m~~ Since the Ferry Building Renovation project is soon to be completed, effective June 24, 2003, the Commission Meetings will be held in the Commission Room at the Ferry Building.

2. A resolution or motion must be adopted by the majority of the Port Commission members. Three members present constitute a quorum for transaction of business.

3. Whenever a special meeting is held at any place other than the regular meeting place, public notice of the time and place of such meeting shall be given at least 15 days prior to such meeting.

4. Special Meetings of the Commission may be called at any time by the President or by a majority of the members of the Commission by delivering personally or by mail, written notice to each Member of the Commission and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice shall be delivered personally or by mail at least 72 hours before the time of such meeting, as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meetings by the Commission. Such written notice may be dispensed with as to any Member of the Commission who, at or prior to the time the meeting convenes, files with the Secretary of the Commission a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Member of the Commission who is actually present at the meeting at the time it convenes.

5. At least 72 hours before a regular meeting, an agenda shall be posted containing a meaningful brief description of each item to be discussed or transacted at the meeting, shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and at the public library.

ARTICLE III

PROCEEDINGS OF THE COMMISSION

1. All actions taken by the Commission shall be by resolution.

2. A record of the vote on any resolution or motion shall be made by a roll call vote of "ayes" and "no's" in the minutes of the Commission. The proceedings of the Commission shall be carried on in such a manner and such dispatch as may be mutually agreeable to the Members of the Commission. Whenever requested by any Commissioner, Robert's Rules of Order shall be applied for the governing of any proceeding, and thereupon no resolution shall be considered or other action taken, until the same has been duly moved, seconded and carried. All resolutions passed by the vote of the Commissioners present at any meeting shall be deemed to have been moved, seconded and passed in due form.

3. Except this rule and such order of these Rules of Order as are restatements of the Rules of the Charter, ordinances or resolutions of the Board of Supervisors, or other positions of the law, any of these Rules of Order may be suspended by the affirmative vote of the majority of the Members of the Commission, provided that such suspension is entered upon the Minutes of the Commission.

4. Privilege of the Floor may be granted to any member of the public, or officers of the City and County of San Francisco, or their duly authorized representatives for the purpose of commenting on any questions before the Commission. The presiding officer may limit to three minutes the time allocated to each speaker, provided, however, that time may be extended with the consent of at least three Commissioners.

ARTICLE IV

COMMITTEES

1. The President may from time to time, appoint such advisory committees as will assist in the transaction of the business of the Commission.

ARTICLE V

PRESIDENT

1. The President shall be the official head of the San Francisco Port Commission, shall preside at all meetings and shall have the right to vote.

2. The President may call special meetings at his or her discretion and shall call meetings at the request of any three Members of the Commission.

3. The President shall be an Ex Officio Member of all committees.

VICE PRESIDENT

1. The Vice President shall act or perform all the duties of the President in case of absence or disability of the President.

SECRETARY

1. The Commission Secretary shall attend all regular and special meetings of the Commission and keep a true and accurate record of the proceedings and the Minutes of the meetings. Copies of the Minutes shall be typed and furnished to each Member of the Commission prior to the next stated meeting. Original copies of minutes, bearing the signature of the Secretary shall, following approval, be bound and kept in permanent volumes, entitled "Minute Book."

2. The Commission Secretary shall also keep intact the original copy of, and index, all resolutions of the Commission, with a record thereon of the vote, or other action, and when convenient, shall bind such documents into permanent records in books entitled "Port Resolutions." All resolutions shall be in numerical order.

ARTICLE VI

AMENDMENTS

1. These rules may be amended by resolution passed by the Commission.

2. Copies of the amendments shall be mailed promptly to the Members of the Commission.

PORT OF SAN FRANCISCO

MEMORANDUM

May 21, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Michela Alioto-Pier
Hon. Sue Bierman
Hon. Wilfred Hsu

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of First Amendment to Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) for Right to Extend Ductbanks to the Public Right–of–Way known as Cargo Way

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BACKGROUND

MUNI is presently undertaking planning and development of the Third Street Light Rail System, which will extend light rail service along the Third Street Corridor across the Peter R. Maloney (Fourth Street) Bridge to Bay View/Hunters Point. The Third Street Light Rail will significantly benefit the Port by providing improved public transportation and access to Port property located in the Southern Waterfront area, including the Mission Bay open space located within Port jurisdiction, the Port's opportunity area at Pier 70, the Port's marine terminals at Pier 80 and 94-96, and Port open space at Islais Creek and Heron's Head Park.

An essential component of the Third Street Light Rail System is the MUNI Ductbank crossing at Islais Creek which will serve the light rail cars along the Third Street Light Rail Line.

On May 16, 2001, The Port Commission approved MOU No. M-13206 authorizing MUNI to construct power and communications ductbanks under Islais Creek east of the Islais Creek Bridge. Under the MOU the Port reserves the right to receive revenue from any commercial uses which may utilize the ductbanks. The ductbanks under Islais Creek have been completed. MUNI is now

THIS PRINT COVERS CALENDAR ITEM NO. 5A

requesting an Amendment to the MOU which would allow for the final connection of the ductbanks to existing electrical conduits located within the public Right-of-Way. MUNI would not be required to pay for the right of way in recognition of the significant trust benefits created by the ductbank functions.

The Port Commission is being asked to authorize the Executive Director to execute the attached First Amendment to Memorandum of Understanding, attached hereto, between the Port and MUNI for the right to extend the ductbanks to the public Right-of-Way known as Cargo Way.

Prepared by: Mark W. Lozovoy, Deputy Director, Real Estate

\\PACIFICA\USERS\TENANT\AGENDA - YEAR 2003\First Amendment to MUNI\qy.doc

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-33

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, MUNI is presently undertaking planning and development of the Third Street Light Rail System, which will extend light rail service along the Third Street Corridor across the Peter R. Maloney (Fourth Street) Bridge to Bay View/Hunters Point. The Third Street Light Rail will significantly benefit the Port by providing improved public transportation and access to Port property located in the Southern Waterfront area, including the Mission Bay open space located within Port jurisdiction, the Port's opportunity area at Pier 70, the Port's marine terminals at Pier 80 and 94-96, and Port open space at Islais Creek and Heron's Head Park; and

WHEREAS, MUNI requires authorization from the Port to obtain rights-of-way in the northern part of the Third Street corridor alignment to construct ductbanks for electrical power and communications for the Third Street Light Rail Project; and

WHEREAS, on May 22, 2001, the Port Commission approved Memorandum of Understanding No. M-13206 (Port Resolution No. 01-42) authorizing MUNI to construct ductbanks under Islais Creek at a location east of the Islais Creek Bridge; and

WHEREAS, in Resolution 01-15, dated February 27, 2001, pursuant to the California Environmental Quality Act ("CEQA"), this Commission reviewed and considered the Final Environmental Impact Statement/Environmental Impart Report ("FEIS/EIR"), and in exercising its independent judgment, found the FEIS/EIR's analysis and conclusions regarding transportation and environmental effects, alternatives and cumulative conditions, to be objective, complete and in compliance with CEQA and the CEQA Guidelines. The FEIS/EIR and this Commission's findings are on file with the Commission Secretary; and

WHEREAS, subsequent to adoption of the CEQA findings, the ductbank construction approach was changed from trenching along the creek bottom to directional boring under Islais Creek; and

WHEREAS, directional boring reduces environmental impacts by avoiding construction in the creek bottom; and

WHEREAS, the new construction approach is documented in an Addendum to the FEIS/EIR on the file with the Port Commission Secretary; and

WHEREAS, the Port Commission is being asked to authorize the Executive Director to execute the attached First Amendment to Memorandum of Understanding between the Port and MUNI for the right to extend ductbanks to the public right-of-way known as Cargo Way; now, therefore, be it

RESOLVED, that this Commission hereby incorporates herein by reference thereto the CEQA findings made by the Port in its Resolution No. 01-15 on file with the Port Commission Secretary and hereby finds, on the basis of substantial evidence, an in light of the whole record, including the Addendum to the FEIS/EIR, that (1) modifications incorporated into the project will not require important revisions to the FEIS/EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; (2) no substantial changes have occurred with respect to the circumstances under which the project will be undertaken which would require major revisions to the FEIS/EIR due to the involvement of new environmental effects, or a substantial increase in the severity of effects identified in the FEIS/EIR; and (3) no new information of substantial importance to the project has become available which would indicate (a) the project has significant effects not discussed in the FEIS/EIR, (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FEIS/EIR would substantially reduce one or more significant effects on the environment; and be it further

RESOLVED, that the San Francisco Port Commission hereby approves the First Amendment To Memorandum of Understanding upon the terms and conditions set forth in the Memorandum of Agenda Item 5A for the May 27, 2003 Port Commission meeting, and authorizes the Executive Director to execute the First Amendment To Memorandum of Understanding in such final form as is approved by the City Attorney; and, be it further

RESOLVED, that the Port Commission authorizes the Executive Director, in consultation with the City Attorney, to take all such further action, including executing further documents or assurances necessary to implement the intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 27, 2003.

_____
Secretary

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PORT OF SAN FRANCISCO

MEMORANDUM

May 21, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Michela Alioto-Pier
Hon. Sue Bierman
Hon. Wilfred Hsu

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for approval to place an Arts Commission sculpture by Robert Arneson in the Ferry Building area to the west of the Embarcadero adjacent to the northerly Ferry Building crosswalk.

DIRECTOR'S RECOMMENDATION: APPROVE PLACEMENT OF ARTS COMMISSION SCULPTURE BY ROBERT ARNESON IN THE FERRY BUILDING AREA.

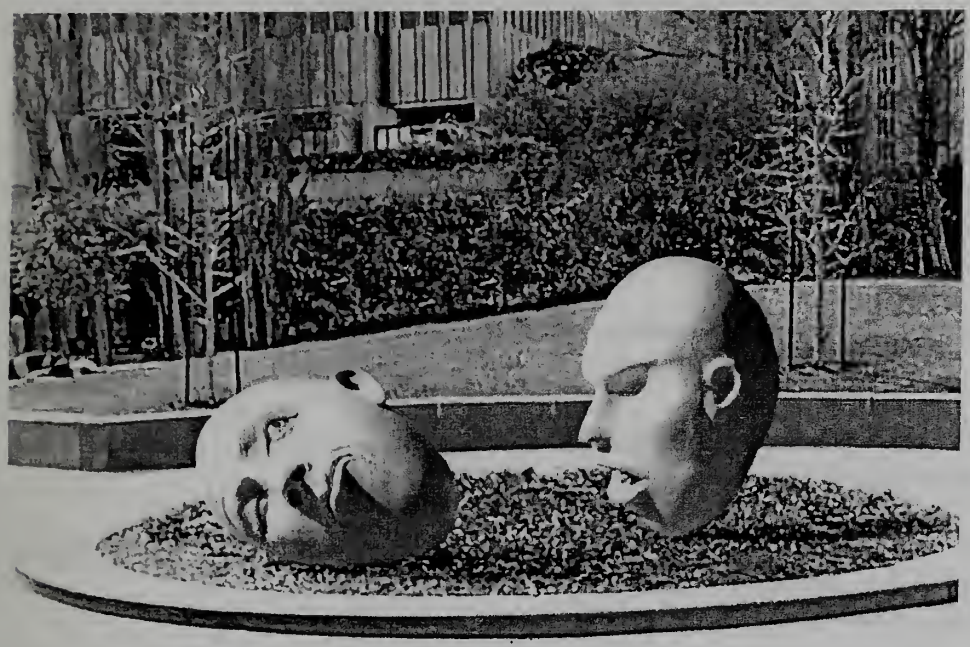
BACKGROUND:

The San Francisco Arts Commission is proposing to locate a sculpture by Robert Arneson on Port property in the Ferry Building area west of the Embarcadero Roadway. The sculpture is titled "Yin & Yang" and consists of a pair of satirical faces each measuring about 30 by 60-inches, in bronze with a white patina finish. Robert Arneson is an internationally acclaimed artist from the Bay Area who spent a greater part of his career teaching at UC Davis while creating art, prior to his death in 1992.

The San Francisco Airport Commission through its Airport Art Steering Committee purchased the sculpture. Because the Airport has not selected an appropriate location, the Arts Commission has arranged to install the sculpture on Port property.

The photomontage shown below illustrates how the Arts Commission is proposing to place the sculpture. Its location would be immediately west of the northerly most Ferry Building crosswalk, and behind the large fountain in Justin Herman Plaza.

This Print Covers Calendar Item No. **6A**



If the Commission approves placement of the sculpture by the San Francisco Arts Commission, the Port, Arts Commission and Airport Commission will enter into a "Memorandum Of Understanding" (MOU). As stipulated in the MOU, the Arts Commission would be responsible for all costs associated with the placement, maintenance of the sculpture, and would agree to remove the sculpture upon the Port Commission's request. The Arts Commission considers the placement a long-term loan.

Commission Recommendation
Approve the attached resolution allowing the Arts Commission to place the sculpture titled "Yin & Yang" by Robert Arneson in the Ferry Building area.

Submitted by: Dan Hodapp
Senior Waterfront Planner

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 03-36

WHEREAS, in July 2001, on the recommendation of the Airport Art Steering Committee, both the Airport and Arts Commissions approved the purchase of *Yin and Yang* using, a bronze sculpture, in two parts ("Sculpture"), by the late sculptor, Robert Arneson, using art enrichment funds generated by the Airport Master Plan Projects; and

WHEREAS, the Airport has not selected and approved a final appropriate location for the Sculpture; and

WHEREAS, the public interest will be better served by publicly displaying the Sculpture rather than placing the Sculpture in temporary storage; and

WHEREAS, Whereas, the Airport Air Master Plan calls for use a portion of Airport art enrichment funds to purchase a significant sculpture that can be installed at another site in San Francisco on a loan basis; and

WHEREAS, a suitable site with appropriate prominence has been found at the Embarcadero; and

WHEREAS, Port, the Arts Commission and Airport have approved the installation of Sculpture at that site; and

WHEREAS, The parties desire to enter into this MOU for the purposes of the installation of *Yin and Yang,* NOW THEREFORE BE IT

RESOLVED, that this Commission hereby authorizes the Executive Director of the Port, or his designee, to enter in to a Memorandum of Understanding with the San Francisco Arts Commission and San Francisco Airport Commission to allow installation of a sculpture titled "*Yin and Yang*" by Robert Arneson, to be located in the Ferry Building area to the west of the Embarcadero adjacent to the northerly Ferry Building crosswalk; and be it further

RESOLVED, that the Memorandum Of Understanding requires the Arts Commission to install, maintain and remove the sculpture at no cost to the Port, and also describes other provisions necessary for the public to enjoy this sculpture by Robert Arneson.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of May 27, 2003.

_____
Secretary

G:\Ferry Building\Art Comm Arneson Sculpture PC 4-22-3

PORT OF SAN FRANCISCO

MEMORANDUM

May 21, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Michela Alioto-Pier
Hon. Sue Bierman
Hon. Wilfred Hsu

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation on Hotel at Broadway and The Embarcadero

DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION REQUIRED.

BACKGROUND

On November 18, 1998 the Port Commission issued a Request for Qualifications and Proposals ("RFQ/P") for development of a full-service first-class hotel on several Port parcels and one City-owned parcel located between Broadway and Vallejo and between The Embarcadero and Front Street (shown on the attached Site Plan). Three respondents submitted qualifications in response to the RFQ, and the Port invited two respondents to submit proposals for the hotel development opportunity. Stanford Hospitality, Inc. ("Stanford") was the only respondent to submit a proposal. Stanford owns and manages 15 full-service hotels and has experience with new development and remodeling construction. On August 10, 1999 the Port Commission authorized staff to enter into exclusive negotiations with Stanford, and on November 7, 1999 the Port and Stanford executed an Exclusive Right to Negotiate agreement ("ERN"). There have been extensions of the ERN, and the Agreement expires on July 31, 2004.

Stanford first presented its proposed design to the Port Commission in June 1999, which envisioned a large hotel of approximately 400 rooms spread out on all parcels, connected by a pedestrian bridge across Davis Street, with subterranean parking. Since that date, the design and programming have undergone several revisions. Some changes are based on input from community groups (including the Port's Ferry Building/Northeast Waterfront Advisory Group), others are dictated by the hotel operators, while several design changes are based on recommendations of the Waterfront Design Advisory Committee ("WDAC"). The WDAC reviews Port projects to ensure that the urban design is consistent with applicable provisions

THIS PRINT COVERS CALENDAR ITEM NO. 6B

of the Port's Waterfront Land Use Plan and the Waterfront Design and Access criteria described therein.

Some of the key changes that have evolved during this planning process are:

- Reduction in size from approximately 450 guest rooms to 260
- Elimination of underground parking
- Reconfiguration of the hotel such that all hotel rooms and functions are contained in one building on the front lot (Seawall Lot 324), and all parking is contained within a parking structure on the back lot (Seawall Lot 322-1)
- Elimination of the elevated pedestrian bridge across Davis Street
- Through a study of the Embarcadero, conducted by the Planning Department and presented to the WDAC, the appropriate height for the hotel building was determined to be 65 feet, with more height allowed at the corner of Broadway and the Embarcadero

SUMMARY OF STANFORD'S PROPOSAL

Stanford's new concept for the hotel encompasses a hotel building on Seawall Lot 324 containing approximately 260 guest rooms, two restaurants, lobby bar, approximately 12,000 square feet of meeting space, retail space, a fitness center and business center. The main entry will be through a porte cochere on Davis Street, with additional entries on the Embarcadero and Broadway. The parking structure on Seawall Lot 322-1 will contain approximately 360 parking spaces to serve both hotel guests and visitors to the waterfront and 1,500 to 3,500 square feet of retail space on the ground floor along Broadway. The parcels north of the hotel will be landscaped and provide a park-like setting for hotel guests and the community to enjoy. No brand has been selected yet for the hotel, but Stanford is talking to several prominent first-class hotel franchisers.

BENEFITS OF THE HOTEL PROJECT

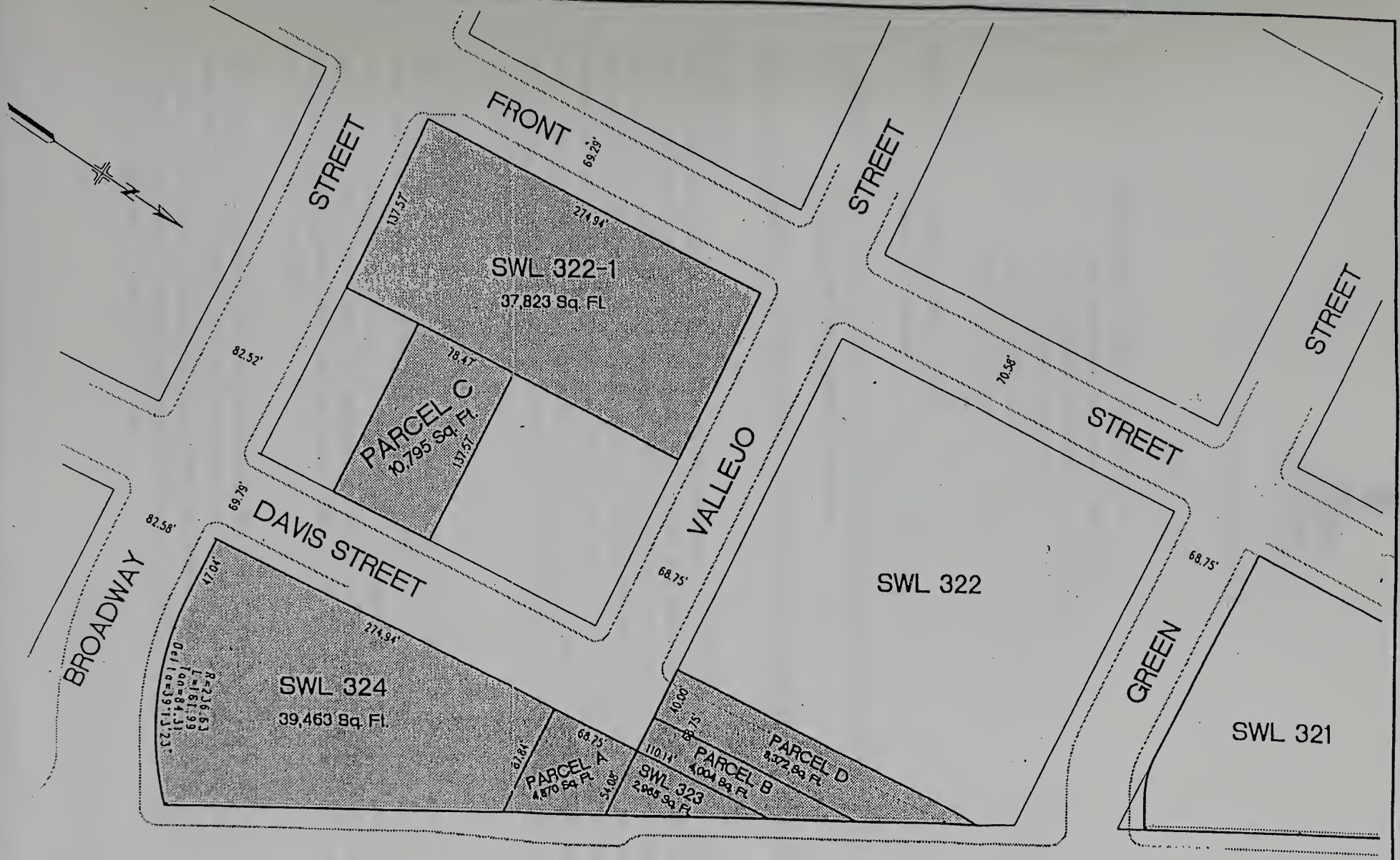
The hotel will bring many public and financial benefits to the Port and to the City, including the following:

- It is a Public Trust use that enables the public to enjoy the waterfront
- It is one of the only sites on Port property where a hotel is allowed
- It is currently the only site on Port Property where a hotel is financially feasible
- It will satisfy objectives in the Waterfront Land Use Plan and the RFP to create a gateway to the Chinatown and North Beach neighborhoods and an orientation point along the waterfront
- It will provide rental revenue to the Port greater than the current revenues generated from the site, which will enable the Port to carry out its Public Trust objectives
- It will create jobs
- As a full-service hotel it will provide meeting space and other amenities for residents of the community

- It will provide parking for visitors to the waterfront
- It will provide revenue to the City, in the form of hotel occupancy taxes, which will go to support arts and neighborhood organizations
- Through development exaction fees, it will provide revenue to support childcare services and revenue for the affordable housing fund

The presentation of the hotel design is informational only and will be made by Todd Motoyama, Project Manager for Stanford Hospitality, and Burton Miller of Hornberger + Worstell, Project Architect. No action by the Commission is being requested.

Prepared by: Jennifer Sobol
Project Manager
Planning & Development Division



REFERENCE INFORMATION & FILE NO. OF SURVEYS

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____

BROADWAY - EMBARCADERO HOTEL DEVELOPMENT SITE

FIGURE 1 SITE PL...

DESIGNED BY: J. SOBOL	CHECKED BY: ----		
DRAWN BY: AWN	DATE: 20 OCT 98		
CONTRACT NO. CONTRACT	SCALE: 1" = 80'		

PORT OF SAN FRANCISCO

MEMORANDUM

May 21, 2003

TO: MEMBERS, PORT COMMISSION
Hon. Michael Hardeman, President
Hon. Kimberly Brandon, Vice President
Hon. Michela Alioto-Pier
Hon. Sue Bierman
Hon. Wilfred Hsu

FROM: Douglas F. Wong
Executive Director

SUBJECT: Status Update on the Illinois Street Intermodal Bridge, Contract No. 2680, Selection for Design-Build Services

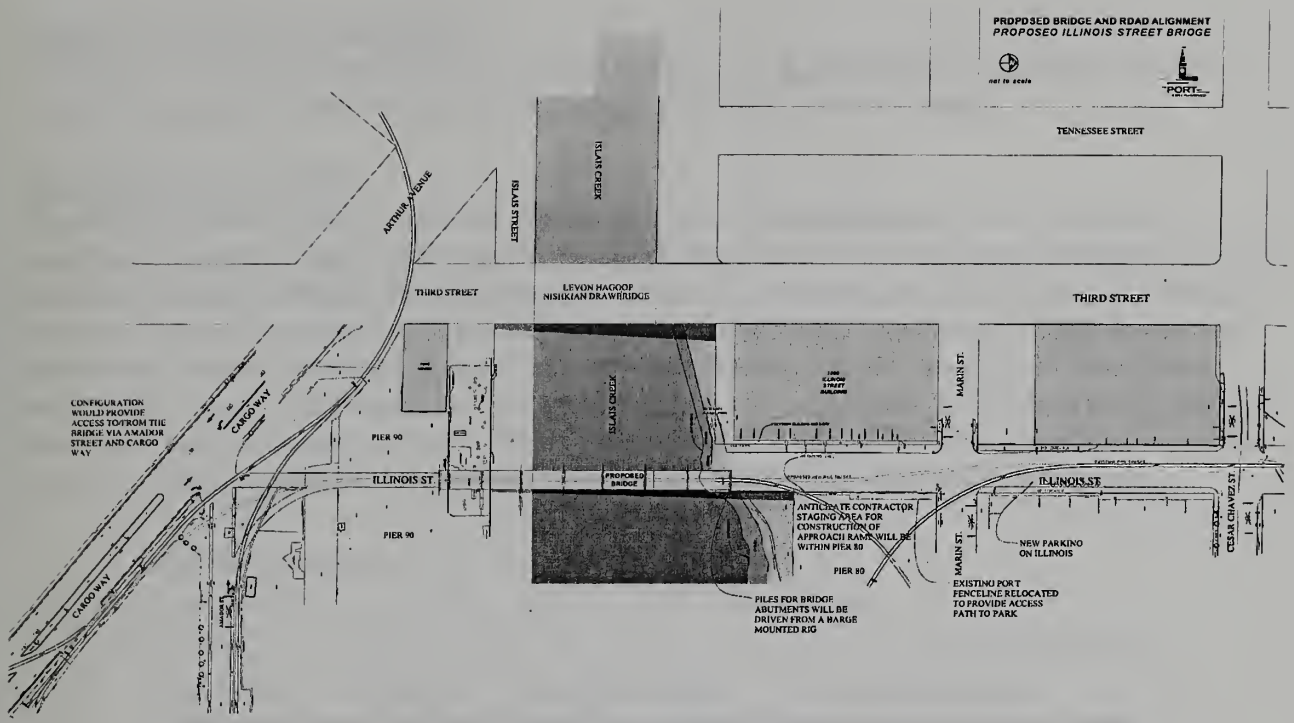
DIRECTOR'S RECOMMENDATION: NO ACTION. FOR INFORMATION ONLY.

SUMMARY
The Commission authorized Port Staff at the December 11, 2002 Commission Meeting to commence advertisement and the contracting process to secure design-build services to design and construct the Illinois Street Intermodal Bridge (Bridge) over Islais Creek. The Bridge project will provide direct freight rail service to the Pier 80 Omni cargo terminal, and will also provide for vehicle access. The project includes approaches on the north and south banks of Islais Creek and public access improvements in the vicinity of the Bridge site. This May 27, 2003 presentation is to provide a status update on the three-phase design-build contractor selection process that is underway.

BACKGROUND
The Illinois Street Intermodal Bridge (Bridge) project site is located in the Southern Waterfront, which extends generally from Mariposa Street to India Basin, and is home to most of the Port's cargo and ship repair operations. The Bridge will be constructed across Islais Creek one block east of the existing Levon Hagoop Nishkian drawbridge on Third Street, extending from Illinois Street on the north side of the Creek, adjacent to the Pier 80 Omni cargo terminal, to Pier 90 on the south side of the Creek.

The Bridge is a long-sought Port project because the improvements in freight rail and vehicle access are critical to maintaining the viability of the Port's cargo facilities. The Bridge will provide efficient, direct freight rail access that is currently lacking to the Pier 80 cargo terminal, as well as provide an intra-terminal transportation connection to the southern cargo terminals at Piers 90-92 and 94-96, south of the Creek.

This Print Covers Calendar Item No. 7A


PROPOSED BRIDGE AND ROAD ALIGNMENT
PROPOSED ILLINOIS STREET BRIDGE
not to scale
PORT
TENNESSEE STREET
ISLAIS CREEK
ISLAIS STREET
ARTHUR AVENUE
THIRD STREET
LEVON HAGOOP NISHKIAN DRAWBRIDGE
THIRD STREET
CONFIGURATION WOULD PROVIDE ACCESS TO/FROM THE BRIDGE VIA AMADOR STREET AND CARGO WAY
CARGO WAY
PIER 90
ILLINOIS ST
PROPOSED BRIDGE
ISLAIS CREEK
MARIN ST.
ILLINOIS ST
CESAR CHAVEZ ST
ANTICIPATE CONTRACTOR STAGING AREA FOR CONSTRUCTION OF APPROACH RAMP WILL BE WITHIN PIER 80
PIER 80
NEW PARKING ON ILLINOIS
EXISTING PORT FENCELINE RELOCATED TO PROVIDE ACCESS PATH TO PARK
PILES FOR BRIDGE ABUTMENTS WILL BE DRIVEN FROM A BARGE MOUNTED RIG

The Bridge will be constructed with two vehicle lanes, accommodating two-way access by vehicles and trucks, with freight rail installed along the centerline of the structure. The Bridge will be closed to vehicular traffic while trains are accessing Pier 80. The Bridge will include a fully movable span that will maintain access to the west end of Islais Creek for commercial vessels and larger recreational boats in the open position, yet allow for smaller recreational boats (e.g., kayaks, canoes, etc.) to navigate beneath it in the closed position.

Construction of the MUNI Third Street light rail transit system which requires removal of two lanes of traffic on Third Street, and current efforts to create a gateway to the Bayview Hunters Point neighborhood at Third and Cargo Way, dictate the need and desire to provide an alternate route for traffic, particularly industrial trucks. This need would be met through City improvements on Illinois Street and the Port's construction of the Bridge.

PROJECT DETAILS

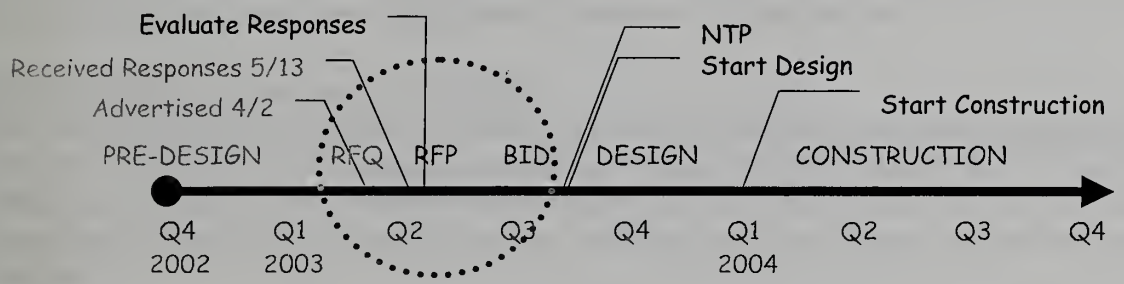
Key elements of the design include the Bridge with a movable span, rail, approach work and various public access improvements. As part of the Pre-Design Work, the Port has worked with the community and permitting agencies to define critical alignment details and developed design and performance specifications for the movable portion of the Bridge to a 30% level of detail. In contrast, the Port has not developed any design for the moveable span of the bridge, and will use the contract process as described further below to solicit moveable bridge designs from qualified teams.

PROJECT DELIVERY METHOD

This project will be designed and constructed using the Design-Build (D-B) project delivery method that combines the design and construction function with one entity.

SELECTION PROCESS

The selection process is three-phased. **Phase 1: Team Prequalification** is the Request for Qualifications (RFQ) stage where the Port prequalifies D-B teams. Only prequalified teams may proceed to **Phase 2: Design Prequalification**. Phase 2 is the Request for Proposal (RFP) stage where the Port will evaluate each team's proposal and negotiate the elements of the design and construction that are necessary to the function of the Bridge. The Port will then invite those prequalified teams with prequalified designs to proceed to bid. **Phase 3: Bidding** is the bid stage where each such team may submit a sealed bid on its own design. The Port intends to award the contract to the prequalified team with a prequalified design who submits the lowest bid.



We are currently near the end of Phase 1and are evaluating the responses.

Activity	Date
Advertise RFQ	April 2, 2003
Orientation Meeting	April 15, 2003
Deadline to Submit Response	May 13, 2003
Evaluate Responses	May 14 through May 27, 2003
Issue Prequalification Status	May 29, 2003

Five D-B teams responded to the RFQ as follows:

- Manson Construction -- Ben C. Gerwick Inc.
- Modern Continental Construction -- Hardesty & Hanover, LLP
- Miller Thompson -- Winzler & Kelly
- Mitchell Engineering/Obayashi Corporation, JV -- HNTB
- Schimmick Construction -- Creegan + D'Angelo

Team qualifications are being evaluated and written responses will be scored. Scoring will be performed by an impartial Selection Committee comprised of five individuals to include the

community where the project is located and those with broad technical expertise related to this project. Scores will be used to determine the short-list for Phase 2: Design Prequalification.

NEXT STEPS

Phase 2: Design Prequalification (*June 6 through August 26, 2003*)

Prequalified teams invited to Phase 2 will receive the RFP that specifies the design and performance criteria and be given the opportunity to develop their concepts to a 30% level of design for evaluation. Each prequalified team will enter into design review with the Port to ensure that the team's proposal meets all Port requirements for this project and modify their designs as needed. The desired outcome is to have at least three (3) acceptable prequalified designs.

The Commission approved a stipend of $30,000 for this project. Port Staff intend to distribute the stipend equally among the prequalified teams who submit design proposals. The stipend will only be issued after receipt of the proposed design at 30% completion.

Phase 3: Bidding (*target August 27, 2003*)

Port Staff will issue an Invitation to Bid (Bid) to the prequalified teams with prequalified designs. Each team will bid only its own design. Only prequalified teams with prequalified designs may submit a bid. Teams eliminated in Phase 1 or Phase 2 may not bid. Port intends to recommend award of the contract to the team with the lowest bid relative to the other competing designs.

Contract Award (*target September 2003*)

The intent of Port Staff is to recommend award of the contract to the prequalified team with the prequalified design that submits the lowest responsive bid, pending Commission approval and certification by the Controller as to the availability of funds.

Prepared by: Kathy Nakazawa, Project Manager
for Nieret Mizushima, Chief Harbor Engineer

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SAN FRANCISCO
PORT COMMISSION

MAY 27, 2003
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. MICHAEL HARDEMAN, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHELA ALIOTO-PIER
HON. SUE BIERMAN
HON. WILFRED HSU

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
MAY 27, 2003

1. ROLL CALL

Commission President Michael Hardeman called the meeting to order at 3:07 p.m. The following Commissioners were present: Michael Hardeman, Kimberly Brandon, Michela Alioto-Pier, Sue Bierman and Wilfred Hsu.

2. APPROVAL OF MINUTES - May 13, 2003 Special Meeting

ACTION: Commissioner Brandon moved approval; Commissioner Bierman seconded the motion. All of the commissioners were in favor; the minutes of the May 13, 2003 Special Meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report

- Introduction of New Port Commissioners

Mr. Wong welcomed the new Port Commissioners. This marks the first time in his tenure at the Port that three new Commissioners were appointed to the Commission at the same time. Port staff looks forward to working with the Commission. Amy will prepare a briefing book and schedule a meeting and a tour of the Port with the Port's Senior Staff and the Commissioners.

Former Commissioner Brian McWilliams, native San Franciscan and a 35-year waterfront worker, welcomed the new Commissioners to the Port. It was an honor for the ILWU and for him personally to serve on the Commission. He wished the Commissioners success and as much unanimity in its deliberations as they can muster. He offered his assistance to the Commissioners. He thanked Port staff for all the work they have done in creating a wonderful resource for the public. They are the institutional memory. They are the nuts and bolts that make everything work and they are the backbone of the Port. The success of the Port is directly attributed to the staff.

Commissioner Bierman thanked Mr. McWilliams for his offer and would welcome his presence to the meeting whenever he finds the time to attend. He would be a great resource for the Commission since he knows the Port very well.

Commissioner Hardeman remarked that this is indeed a historic moment, the first time in the history of the Harbor Commission or the Port Commission that the majority of Commissioners is women. He welcomed the new Commissioners to the Port.

4. CONSENT

A. Request for approval of amendment to the Port Commission Rules of Orders to reflect the change of time and location for Port Commission meetings. (Resolution No. 03-38)

ACTION: Commissioner Brandon moved approval; Commissioner Alioto seconded the motion. All of the Commissioners were in favor; Resolution 03-38 was adopted.

5. REAL ESTATE

A. Request for approval of First Amendment to Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) for Right to Extend Ductbanks to the Public Right-of-Way known as Cargo Way. (Resolution No. 03-33)

Mr. Mark Lozovoy, Deputy Director of Real Estate, presented the item and requested Commission's approval. He noted that representatives from Muni and PUC were invited to make an informational presentation regarding the ductbanks.

Dennis Tsai, Senior Project Manager from Muni, indicated that Muni is currently in construction with the Third Street Light Rail Project. A Notice to Proceed was issued to the prime contractor to start work in this area. Muni is seeking the Port Commission's authorization for the right to extend the ductbanks to the public right-of-way. Previously, Muni secured Port's approval to authorize the MOU for the ductbanks to be bored directly under Islais Creek. That work has been completed. Today, Muni is seeking Commission's authorization for the remaining components. There are three ductbanks that will be constructed as part of the current contract. The easterly ductbank, which is bore #3, belongs to PUC and it is solely for their use. The middle ductbank is a shared ductbank for use by Muni and the Port. The other ductbank is solely for Muni's use. Muni intends to use the Muni ductbank and part of PUC's ductbank for a combination of traction power, telecommunications, fiber optics, traffic signals, close circuit TV, etc. The reason for the ductbanks is so that they can convey from this direction all the Muni traction power and telecommunication lines under Islais Creek back to the southern point of the existing Nishkian drawbridge. They cannot run the ductbanks with this communication network across an open span of the bridge. This bridge opens and closes to allow boat traffic access into the Islais Creek area. They have constructed these ductbanks underground so it avoids any direct impact to the Port's future development. Muni will build this particular ductbank for PUC's use, possibly to conduct its own electrical conductors. At the same time, they have also allocated a number of conduits within these ductbanks for the Port's use. It was decided many years ago that Muni would build the Third Street Light Rail as well as all of the infrastructure components for cost-effective developments to incorporate other City agency's use. There would be a completely dedicated use for the Muni system. PUC has some intent for its use, primarily for the dedicated City use. They believe that at this point, in consultation with PUC, there is no intent whatsoever to automatically lease it out to any private entity without future City approval and that approval will require PUC to come before the Port Commission for authorization. He asked for the Port's authorization to approve the amended MOU to secure the right-of-way access so that Muni can start construction at the site.

Andrew Bozeman, a worker in the southeast sector of the City, was interested in the project because of its connection with Islais Creek. One of the things that was close to his heart during the engineering planning was the Muwekma Ohlone Park which was destroyed by the sewage line that was disrupted by the installation of the conduits and lots of secondary affluence was poured into it for two days straight before it was stopped. They are in negotiations with Muni and the contractors to rebuild the park. Mr. Tsai has assured him that an agreement has been reached with the contractor that the park will be fully restored and are inviting the community for their input. He thanked Muni for the work they are doing in restoring the Muwekma Ohlone Park and hoped that they will follow through with their commitment. He asked the Commission if he could come back and give the Commission a progress report regarding the restoration of the Muwekma Ohlone Park to make sure that which was promised is indeed carried forward and carried through the end so that the City and the Bayview community ends up with something beautiful and exciting that the City deserves.

Francisco Da Costa, indicated that the main reason he appears before the Commission time and time again is for the constituents of San Francisco to understand that what's important in this site is a main force pipe, a sewer pipe that carries 80 million gallons of secondary affluence into the bay. This main force pipe carries 80% of the city's secondary affluence but carries 100% of the raw sewage that is treated at the southeast facility from Colma, Daly City, Brisbane and Burlingame. When he worked at the Presidio, he had under his care engineers that he took to the site. None of those engineers would ever think to build three conduits in a landfill area under a main force sewage pipe on that site. There are knowledgeable people in the City who need to attend meetings so they can enlighten the Commissioners. Mr. Tsai gave a thorough presentation and he has always had a dialog with him. The conduits are four feet wide and located on Port property. He hoped that the Commission gets the maximum amount of profit from the conduits. The seven-and-a-half mile Port property belongs to the citizens of California.

Commissioner Brandon thanked the representatives from Muni and PUC for discussing the project with them. She reiterated Mr. Tsai's comments that PUC and Muni, in the future, will have to come back to the Commission for approval to use the conduits and the Port will receive revenue for the use of the conduits.

ACTION: Commissioner Brandon moved approval; Commissioner Alioto seconded the motion. All of the Commissioners were in favor; Resolution 03-33 was adopted.

6. PLANNING & DEVELOPMENT

A. Request for approval of the Art Commission proposal to locate the sculpture by Robert Arneson titled "Yin and Yang," on the west side of the Embarcadero Roadway, south of Washington street, at the southwest corner of Lot 202. (Resolution No. 03-36)

Mr. Hodapp, Planning & Department, presented the item and requested Commission's approval.

Susan Pontius, Arts Commission, indicated that the Yin and Yang sculpture was made by Robert Arneson. He was a primary figure in the Bay Area and National Culture. He came

to prominence in the 1960s as a major leader in one of the first movements that became specifically identified with the Bay Area which was Bay Area Funk and associated as one of the founding figures of the California Ceramics Sculpture Movements. Yin and Yang is part of a series of five sculptures that were commissioned by UC Davis and were installed near the end of his life. Yin and Yang was installed in 1992. This sculpture is proposed for this particular site because it is suitably prominent for an artwork by an artist of this standing. Part of the future of the Port is to become a destination point for visitors and residents alike.

Commissioner Alioto indicated that the artwork is certainly unique. She asked if the Arts Commission is planning on putting up a plaque that describes the artwork. Ms. Pontius replied affirmatively.

Ernestine Weiss, Golden Gateway, indicated that the dictionary defines waterfront as "land fronting a body of water." This location is behind the Vallaincourt Fountain, a very dull area and nobody walks there. Trees are very precious to them. A temporary exhibit does not warrant ripping out a beautiful living tree and greenery beneath it. This circle is not used very much. The only part that is used is the plaza behind the Ferry Building. Thousands of people come to the farmer's market. That area will get maximum exposure. She asked the Commission not to destroy a park that they worked so hard for and the artwork does not enhance the park in any way. This artwork belongs along the waterfront, specifically, at the ferry plaza beside Gandhi's statue. This is the wrong location for the artwork.

Carolyn Blair, Executive Director of the SF Tree Council and member of the City's Urban Forest Council, indicated that she worked many years with Sue Bierman in preserving and protecting our urban forest and green streets. She asked the Commission to show some Yin and Yang and reconsider a location. She wondered if there has been any consideration for another location because a healthy living organism that contributes to the green space that is needed in this area will be destroyed. There are other areas where this beautiful sculpture could be located such as a populated walkway in front of the Ferry Building or along the back walkways. She asked the Commission to consider that suggestion. She is an artist and a personal friend of Robert Arneson and she does not believe that he would want a tree destroyed that the neighbors worked so hard to keep their park green. She asked the Commission to consider an alternative space that would suit the artwork.

Toby Levine, chair of the Northeast Waterfront Advisory Group, that there are three good things at the waterfront: (1) the NEWAG; (2) the Waterfront Land Use Plan, which creates a framework for all to work through; (3) the Port staff, particularly the Planning Department. The NEWAG is an advisory group to the Commission and covers from the Ferry Building to Pier 35. Insofar as the Yin and Yang is concerned, this issue came before the NEWAG in March with an excellent presentation by the Arts Commission. They examined the various issues that Mr. Hodapp outlined in terms of the siting of the sculpture and NEWAG felt very strongly that it would be a good addition to the Port and to the City. Robert Arneson was a very significant Bay Area artist and has had a very significant affect on our lives while he was alive particularly with his work around the dreadful issue of George Moscone and his loss of life. Art along the waterfront would beautify and reflect the history of the waterfront, and provoke people's thoughts and

emotions. The NEWAG supports this project; the site is appropriate for the sculpture.

Nan Roth, representing Telegraph Hill Dwellers, indicated that they were positively thrilled with this artwork for many reasons. It is an extremely modest artwork given the size and the hard edge characteristics of many of the artworks on the waterfront. It is a very small, tranquil, contemplative piece of art, a perfect piece for a park-like setting. She was sure that the people supporting the project would be happy to contribute to the replacement of the tree. There is another artwork proposed for the park which requires many mature trees to be destroyed but no one showed up to complain about it. She hoped that the Port will approve the artwork.

Eula Walters, representing 2300 people who signed a petition that no buildings or objects be placed on Ferry Park, urged the Commission to not support the project. The Ferry Park was dedicated to the City and no buildings or art should be placed in the park Yin and Yang refers to the Chinese culture and religion. The sculpture would be too controversial for the area. It should be placed on Portsmouth Square or somewhere else in Chinatown. The Yin & Yang sculpture is sexist. The airport does not want it because it's too controversial. Ferry Park was ruined with the two million dollar lamps.

Brian McWilliams indicated that at the last meeting, staff apprised the Commission that the Abraham Lincoln Brigade was proposing a monument at a site adjacent to the Ferry Park. Staff was supposed to make a presentation of both proposals and how they relate to each other so that the Commission can make a decision. He asked about the status of that proposal.

Commissioner Bierman asked where the Lincoln Brigade monument will be located. Mr. Hodapp replied that the Abraham Lincoln Brigade has proposed a monument which will be partially located on Port property and partially on Rec & Park property. The Waterfront Design Advisory Committee reviewed the project last week. They are planning on making revisions to their design and have yet to present their project to the Northeast Waterfront Advisory Group. They will make revisions to the project and will have more public review before it is brought to the Port Commission for approval.

Commissioner Bierman asked about the distance of the two artwork. Mr. Hodapp replied that the Lincoln Brigade monument will begin approximately 50 feet to the north. The Yin & Yang sculpture will be placed in a 15 ft. circle; a plant will be removed & transplanted into the adjacent park. The size of the Lincoln Brigade sculpture will be changed since its last review as they contemplate on how it will integrate with the open space. Commissioner Bierman was surprised that there were no Commissioners from the Arts Commission to speak in support of the project.

Ms. Pontius replied that they thought this item will be brought back to the Commission in June so they did not have any Commissioners scheduled to appear on this short notice.

Commissioner Hsu remarked that he found the artwork very appropriately placed in terms of size, scale and placement. The fact that it lies within the 16-17 foot circle and open space allows the light and shadow as the sun hits it at different angles and at different parts of the day. It also allows the public who walk through that area of the park an

interesting view of the sculpture, approaching and leaving it from different parts and different parts of the day and the shadow play is wonderful and inspiring. He found nothing offensive to the Chinese American culture in its name, the art piece, the placement or anything to do with it other than some of the comments that came from the speaker. He liked the placement of the artwork. It will benefit the park and the public.

Commissioner Alioto remarked that controversy is good. Art is to be discussed, looked at, and enjoyed. She liked the fact that so many people have so many different feelings about it. Hopefully discussions will continue. After the presentation, she liked the location of the artwork. It seems to be in a place where there's less traffic right now but it will draw people in. She also liked that the artist was from this area and did work that represents things that were important to the people of San Francisco.

Commissioner Hardeman mentioned that he received communication from the Arts Commission by email and they were encouraging the Port Commission to support this project. After the last meeting where questions were similar to today, he checked the location and was convinced that it is an appropriate place for this piece of art.

Commissioner Hardeman voiced Ms. Weiss concern that placing the artwork in that location will promote graffiti and vandalism.

ACTION: Commissioner Brandon moved approval; Commissioner Alioto seconded the motion. All of the Commissioners were in favor; Resolution 03-36 was adopted.

B. Informational Presentation by Stanford Hospitality on revised design of Embarcadero Hotel at Broadway and the Embarcadero.

Jennifer Sobol, Planning & Development, indicated that Stanford Hospitality will make a presentation of their current and new design plans. This is an informational presentation and does not require any Port Commission action. As noted in the staff report, Stanford was awarded the right to enter into exclusive negotiations of the Port through the issuance of the Request for Proposals. The Port was seeking a developer to build a full service, first class hotel at the location of Broadway and Embarcadero. Stanford first presented its proposed design to the Commission in June 1999, which envisioned a large hotel of approximately 400 rooms spread out on all parcels, connected by a pedestrian bridge across Davis Street with underground parking. Since that time, this project has undergone a lot of design and programming revisions. Some changes were based on input from community groups such as NEWAG, others were dictated by the hotel operator, while several design changes were based on recommendations of the Waterfront Design Advisory Committee (WDAC). The WDAC reviews Port projects to ensure that the urban design is consistent with the applicable provisions of the Port's Waterfront Land Use Plan (WLUP) and the Waterfront Design and Access elements which is a part of that plan. The committee is made up of five members with backgrounds in architecture, landscape architecture and urban planning.

Some of the key changes that have evolved during the planning process were:

- Reduction in size from approximately 450 guest rooms to 260.
- Elimination of underground parking

- Reconfiguration of the hotel such that all hotel rooms and functions are contained in one building on the front lot (Seawall Lot 324) and all parking is contained within a parking structure on the back lot (Seawall Lot 322-1).
- Elimination of the elevated pedestrian bridge across Davis Street.
- Through a study of the Embarcadero, conducted by the Planning Department and presented to the WDAC, the appropriate height for the hotel building was determined to be 65 feet, with more height allowed at the corner of Broadway and the Embarcadero.

Based on the design recommendations and others, Stanford came up with new designs and a new programming concept. The new proposal encompasses a hotel building on SWL 324 containing approximately 260 guest rooms, two restaurants, lobby bar, approximately 12,000 s.f. of meeting space, retail space, fitness center and business center, all of the amenities of a full service, first-class hotel. The parking structure on Seawall Lot 322-1 will contain approximately 360 parking spaces. It will also include retail space on the ground floor along Broadway. The parcels north of the hotel will be landscaped and provide a park-like setting for hotel guests and the community. Stanford has not selected a brand yet but they are talking to several prominent first-class hotel franchisers.

Stanford recently presented its newest design to the WDAC and it was enthusiastically received by the community members. They will be going back as the project is further refined and as they present their landscaping plans. The principals of Stanford Hospitality were unable to attend today's meeting because of prior business commitments out of town but the project is well represented by their team which includes Theresa Rhea, the entitlements manager, and Frances Chu, the community relations liaison.

Theresa Rhea indicated that she has worked with Stanford for over two years. A substantial amount of progress has been made primarily in response to community concerns, which occurred through a series of meetings with everyone who has expressed an interest in the project, particularly NEWAG. They have met and will continue to meet with everyone. The project's architect, Hornberger Worstell, has a very keen eye in designing a building that can be a building of significance at this very significant corner of the City and ways of responding contextually both to the waterfront of which it will become a significant part and the northeast waterfront historic district of which this is a part of.

Mark Hornberger indicated this project is essentially new in that the number of guestrooms were reduced from 400 to 255 and the number of parking spaces were also reduced from 500 to 360. The hotel is located on Embarcadero, a valet lot is located directly across from the hotel and a parking structure on the back lot. The hotel is 65 feet in height and the parking structure is 34 feet. A waterfront park will be created in the parcels north of the hotel. He noted that the areas colored in red and yellow on the drawings are all public access areas. A retail space is located on the ground level of the parking structure along Embarcadero. There are two food and beverage outlets that are open to the public. There is a lobby space in the main entrance to the hotel on Davis Street which overlooks the water. There are major entrances to the hotel for pedestrians on the Embarcadero at the corner of Embarcadero for a café and open-air restaurant, meeting space on Broadway and the main entrance on Davis. The loading docks, employee

entrance and service areas are located in one small part of the building. They attempted to give the building a very public place one that is open to the general public, almost for its entire circumference. Moving from Broadway to the Bay, one can see the pier beyond. He showed the Commission a drawing of the three suspended level garage. The hotel is 65 feet in height. It sits in proportion to the broad and grand Embarcadero. There are a number of buildings along Embarcadero that have similar scale such as Hills Plaza and the YMCA block. Tremendous amount of time was spent by Port staff planning parks which they call the necklace of parks or the necklace of pearls that runs the entire length of the Embarcadero. They carefully looked at the context of those parks and the public access. As they bring forward a design for the park, they will keep in mind the texture and scale of the parks that were created in other locations and will knit it into the fabric of the string of pearls. They are very aware that this is a highly visible project and they are interested in being good neighbors, being in scale with the buildings that are near the hotel and the views that people have from surrounding hillside. They have met with Telegraph Hill Dwellers, NEWAG and WDAC on several occasions. They are producing a series of use, very carefully generated to show the scale and mass and relative size of the building and its appropriateness, how it fits in with the other buildings that surround it. The drawing shows the hotel building, its view of the bay and piers beyond and how it sits next to the Gateway Commons residential area, the parking structure as it sits in its 34 feet height relative to adjacent buildings and how this building where it fills a vacant lot at the same time allows impeded views to the water and to the waterfront. They have also looked very carefully at the context of the historic buildings in the waterfront district. Their building will be a contributory building, a new building in a designated historic district. Article X of the code discusses certain physical attributes, visual attributes of those existing historic buildings. They have taken some of the images of the existing buildings, the brick, pre-earthquake unreinforced brick buildings and the reinforced concrete buildings that were built post-earthquake. They propose to create a modern building, a building of the early 21st century but one that has genetic roots, genetic connections to the buildings that were done in the late 19th and early 20th century. A family relationship, a family appearance but a modern appearance. A modern building but a building that clearly is related in scale and form and its windows and materials to the other buildings. The buildings in this district tend to describe themselves as full volumes, full expression of the block. They have windows that are cut into exterior walls that tend to be masonry-like and they tend to have strong bases and strong upper levels held together by string courses, belt courses which organize the whole façade. They will bring forward to the new building these same organizing principles, a building that has a length that expresses a base, a mid-section and an attic section. Buildings that are unit masonry with punctured fenestration and have strong articulated windows, shadow and relief, clear glass throughout the building including clear glass at the ground level and lots of doors for public exposure and public access for the pedestrians along the Embarcadero and special articulation at the corner where they have special rooms in the building such as suites, public areas, gathering rooms, restaurants, concierges, and executive lounges. They will use some of the queues that they have found in the other buildings in this district and bring them forward in a modern way. The expression on the corner of Broadway and Embarcadero is slightly higher than a two-story volume that includes a large public suite, presidential suite and the concierge and executive lounge, which is a space that is open to all the guests at the hotel. On the Broadway corner, they have a wonderful opening to the building and to the café. It will be filled with light in the morning. The expression of the building is slightly taller at

the corner and it will be an important gateway to Chinatown and to the Broadway entrance. It opens at the ground level as many of the restaurants in North Beach do. Mr. Hornberger reiterated that they are trying to be a good neighbor. They have reduced the number of hotel rooms. The pedestrian bridge is gone. The parking count is down and instead of long-term parking on grade, they now have short-term parking which will serve the needs of transient visitors to the area better than the parking situation today.

Commissioner Bierman inquired about the color of the building since there has been a very historic feeling of red brick in the area. Mr. Hornberger replied that they have not made any recommendations in the color or material of the building. They will recommend masonry and it will include stone. They will have to get WDAC's endorsement of the massing and scale and general articulation of the building which they believe they have achieved. The next step would be a more detailed endorsement of articulation of openings and canopies and porte cochere which they hope to achieve at their next meeting. Once they received approval, they will move to a specific set of recommendations about materials and colors for the building. Their desire is to give the building a residential feel to make it warm and inviting. They are not going to propose anything like black glass or reflective glazing. They are not going to propose highly shiny or reflective materials. This building needs to be soft and welcoming and residential in character.

Commissioner Bierman asked if this building will go through a design committee of the Port. Ms. Sobol replied that the Waterfront Design Advisory Committee (WDAC) is a committee of five members with architect and urban planning backgrounds. They review all Port projects including this project. They recently reviewed this project and it will be back for many more reviews as they further refine their plan, their landscaping plan and plans for the garage. WDAC makes design recommendations which are advisory to the Port Commission and to the Planning Commission. WDAC is very involved in this process.

Commissioner Bierman inquired if the WDAC has seen this particular design. Ms. Sobol replied affirmatively. WDAC reviewed the project a couple of weeks ago and they were very enthusiastic about the present design.

Since the number of rooms and parking spaces was reduced, Commissioner Brandon asked about its economic impact to the Port. Ms. Sobol replied that Port staff reviewed the term sheet economics with the Port Commission earlier. It is still a project that benefits the Port. It will help with the Port mandate to bring people to the waterfront. It is considered a revenue-producing site. Even though the hotel will have fewer rooms, it will not produce as much revenue as the previous project did. It will, over the long term, produce more revenue than the Port is receiving now for the surface parking lot.

Nan Roth, Telegraph Hill Dwellers, indicated that this project was presented to their group last Thursday. Due to the intervening holiday weekend, they have not been able to get a formal response for today's meeting. They have long been concerned about the height of the hotel as well as its relationship to the historic district. Much has been made of the fact that it is the gateway to North Beach and Chinatown but rarely, do they mention that it is also the gateway to the Northeast Waterfront Historic District as well as the Jackson Square Historic District which are closer to this site than North Beach and Chinatown. At

this point in time, there is a lot of history behind this project regarding the height of the building. Nonetheless, it still exceeds the height that was specified in the RFP, which states that no part of these two block site exceed 65 feet. The current plan is 16 feet above the 65 foot height limit. The historic district issue is extremely important to them because a building of this height and mass cuts off the historic district. The RFP sets forth a 5 story building. If it exceeds that limit, the Commission should demand a building that has a stronger context with the historic district. The building has a central section and the ends are treated differently. The design is divided into individual components in terms of its elevation. She feels that some of those components could be strengthened in terms of the historic context. She asked the Commission to concentrate on that particular issue. This plan is so much better than before. She complimented the architects for their work. They have the skills to do a better historic context than what was presented.

Toby Levine, NEWAG chair, indicated that NEWAG has seen the most recent iteration and they are pleased with the progress. However, they are not in a position to make any definitive comments. The architects have listened very carefully to the other comments made. They will respond and reflect upon it.

Commissioner Hardeman thanked Ms. Sobol for her tenacity. Spectacular would be the word for the change that the neighborhood wants. This is going on their direction. The Commission was concerned about the revenue to the Port but was confident that staff would be able to manage it. He thanked Mr. Hornberger and Ms. Rhea for their presentation.

Commissioner Bierman reemphasized that this is a historic district and the color and materials of the building are important.

7. ENGINEERING & MAINTENANCE

A. Informational Presentation regarding the status of the Illinois Street Bridge Design-Build Team Selection.

Ms. Kathy Nakazawa, Project Manager, provided the Commission a status report of the Illinois Street Bridge project. Last December, the Commission authorized staff to advertise the project to secure design/build services for the bridge. The project is located in the southern waterfront, adjacent to the three Muni ductbanks, one block east of the existing Third Street Bridge. The bridge is a long-sought project because the improvements in freight rail and vehicle access are critical to maintaining the viability of the Port's cargo facilities. The bridge will provide efficient, direct freight access to Pier 80 as well as provide an intra-terminal transportation connection to the southern cargo terminals at Piers 90-92 and 94-96, south of the creek. Key elements of the design include the bridge with a movable span, rail, approach work and various public access improvements. The bridge will be constructed with two vehicle lanes, accommodating two-way access by vehicles and trucks, with freight rail installed along the centerline of the structure. The bridge will include a fully movable span that will maintain access to the west end of Islais Creek for commercial vessels and larger recreational boats in the open position, yet allow for smaller recreational boats to navigate beneath it in the closed position.

As part of the pre-design work, the Port worked with the community and permitting agencies to define critical alignment details and developed design and performance specifications for the bridge. However, the actual design of the movable span has not been defined and will use the design/build process to identify feasible design options. This project will be designed and constructed using the design/build project delivery method that combines the design and construction function with one entity. The selection process is three phased. Phase 1 is the design/build team pre-qualification. Phase 2 the pre-qualified teams will move forward and staff will work with them to develop more detailed designs for the bridge and the movable span. Phase 3 is the bidding stage. Staff advertised the project on April 2 and received responses from five teams on May 13. The five teams were: (1) Manson Construction; (2) Modern Continental Construction; (3) Miller Thompson; (4) Mitchell Engineering/Obayashi, JV; and (5) Schimmick Construction. Staff is evaluating the responses and submittals of the five teams. Pre-qualified teams invited to Phase 2 will receive the RFP that specifies the design and performance criteria and be given the opportunity to develop their concepts to a 30% level of design for evaluation. Each prequalified team will enter into design review with the Port to ensure that the team's proposal meets all Port requirements for this project and modify their designs as needed. The desired outcome is to have at least three acceptable prequalified designs. This process will take approximately from June 6 through August 26. Based on the bids, staff will recommend that the contract be awarded to the lowest bidder with the prequalified design sometime in September.

In response to Commissioner Brandon's inquiry regarding the selection committee's composition, Ms. Nakazawa replied that the selection committee comprised of five members: one representative from the community who is also a member of the SWAC and PAC, a representative from Muni, two from DPW and one from the Bridge District.

Francisco Da Costa, indicated that the conduits are located in the Muwekma Ohlone Park. When the conduits were installed, the sewer pipe was damaged and the Park was destroyed. He appeared before the Commission before the proposed bridge was planned and requested the Commission that it would be a good gesture if the Commission would agree to name the Muwekma Park. If the bridge is built, there should be some mitigation measures. He does not want the bridge to be built but it's up to the Commission to decide. At this time of security, he does not see the need for another bridge, which is close to another bridge. He hoped that the Commission will be an active constituent. He felt that this bridge is going to bring more traffic. A lot of the traffic will consist of vehicles that run on diesel. Diesel fumes are killing children, contribute to asthma, respiratory diseases and 70% of the cancer in the City. He was not in support of the movable bridge.

Ms. Nakazawa clarified that the way this process was designed was that the teams would be disqualified through the process of pre-qualification questionnaire. If the Port has a lot of pre-qualified candidates, staff will have the proposals evaluated through a selection panel. Because there were only five proposals, part of her job was to go through the pre-qualification questionnaires to determine whether the teams were qualified. After her review, two teams were disqualified. Having three teams eliminated the need for going through a selection panel because the panel was specifically designed to short-list all pre-qualified teams, assuming that there were more than three teams.

Commissioner Brandon inquired why the teams were disqualified. Ms. Nakazawa replied that one of the teams was disqualified because one of the minimum requirements was that the principal engineer responsible for the design be licensed in the State of California and they were not. The other team was disqualified because they were required to pre-qualify individuals with the experience necessary to do the work. One individual was supposed to have the rail experience specific for this project. However, the individual who was used to pre-qualify was not included as part of the actual team who will be doing the work.

In response to Commissioner Alioto's inquiry about the disqualified teams, Ms. Nakazawa replied that the two disqualified teams were Mitchell Engineering/Obayashi and Miller Thompson.

8. NEW BUSINESS/PUBLIC COMMENT

Ernestine Weiss indicated that they have to contend with vandalism and the homeless in the park. She represents thousands of people who lives in the Golden Gateway Center. They know the problems very well. The homeless hang out behind the fountain and urinate against the fountain walls. They will do it to the Yin and Yang sculptures. The sculptures will have graffiti. The skateboarders will jump off it. She asked the Commission to keep in mind that there is no security in the park. The Ferry Building does.

Merylin Wong, represents a 501c (3) non-profit, public benefit organization that has been established to acquire custodianship of the USS Iowa, the decommissioned battleship. She introduced their organization to the new Commissioners to acquaint them with the making of what is likely to be a crowning moment in the history of San Francisco. This ship may not be subject to a design change for it is one of the finest examples of American shipbuilding and industrial art. It will not cause a tree or shrub to be removed but rather with the successful placement of this tourist attraction, a bayside park will be built. It meets the public interest mandate of the Port and it will prove to be a significant source of revenue in the long term. She hoped that the USS Iowa be a part of the Commission's agenda for future presentation.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Brandon moved approval; Commissioner Alioto seconded the motion. All of the Commissioners were in favor.

At 4:45 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING AND ANTICIPATED LITIGATION MATTERS (Discussion Items)

a. Discuss existing litigation matter pursuant to Section (a) of California Government Code Section 54956.9 and San Francisco Administrative Code

Section 67.10(d) (1 case):

- F. Alioto Company, Inc. et al. v. City & County of San Francisco, et al., Superior Court Petition CPF 03-503016.

b. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (1 case) (As Defendant and As Plaintiff)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Piers 27-31
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Piers 27-31 LLC: Steve Jacobsen

b. Property: Rincon Park Restaurants
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*JMA Waterfront LLC: Art Chapman

10. RECONVENE IN OPEN SESSION

At 7:35 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Bierman moved approval to adjourn executive session and reconvene in open session; Commissioner Hsu seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Bierman moved approval to not disclose any information discussed in executive session; Commissioner Hsu seconded the motion. All of the Commissioners were in favor.

11. ADJOURNMENT

ACTION: Commissioner Bierman moved approval to adjourn the meeting; Commissioner Hsu seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 7:35 p.m.